



Ministry of Mines & Energy

QUESTIONS FROM THE VILLAGER NEWSPAPER SENT BY DONALD MATTHYS

07TH JULY 2016



NB!! The Ministry of Mines and Energy requests that these answers be published verbatim without being fettered with for the Ministry of Mines and Energy reserves the right to publish same elsewhere.

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- 1. In recent years, Namibia and Angola signed an MoU on oil imports from Angola to Namibia, but it was halted. What is the current stance on the matter?**

The MoU between Angola and Namibia was aimed to facilitate bilateral cooperation in the petroleum and natural gas sector between the two countries on the basis of mutual benefits. However, the implementation process has since been put on hold until further notice.

- 2. Is Angola still one of Namibia's top crude oil importing destinations and what is the quantified value of oil imported and how much is spent on it?**

Angola remains one of the main crude exporting countries in Africa. However, to date no crude has been imported from Angola to Namibia nor has any crude been purchased by Namibia from any other country. Namibia simply does not have any capacity to refine crude oil.

- 3. What is Namibia's stance on Oil supply? Are we stable? If challenges persist, what are they? Do we have enough funding for oil supply?**

Namibia is a net importer of refined petroleum products only. There are various players in the industry who share the responsibility to import refined product into Namibia. To date the country has not faced any severe shortage of petroleum products, especially since most of the country's fuel requirements are imported from sources other than South Africa. It is safe to say that the situation remains stable. Currently there is an oversupply in the market hence the reason why prices are much lower than what they were two – three years ago.

The challenging issue is that fuel is volatile and depends on various factors. Namibia has in the past not experienced any oil supply disruptions at all, meaning that the country is in the meantime safe. Namibia is very stable for as long as it continues to provide a healthy and conducive investment climate to investors, taking into consideration their investments and margins. As a net importer country, fuel is currently brought on our shore by Private Limited Companies hence the need to deepen and improve the investment climate by enhancing a good business relationship.

There are two primary factors that impact on Namibian fuel prices namely, international crude prices and exchange rates between Namibian Dollar and the US Dollar. These factors are market driven and are deciding factors whether prices are adjusted upwards or downwards on a monthly basis.

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The Ministry of Mines and Energy (MME) only serves to regulate the petroleum industry and the various price structures. The Ministry is not responsible for the sourcing of fuel. This function is performed by the Oil Marketing Companies who have been issued with wholesale licences to operate in Namibia. The sourcing of fuel and distribution and marketing thereof is done purely on commercial basis.


27 JUL 2016
Hon Obeth Mbul Kandjoze, MP
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