



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The Ministry of Mines and Energy has to announce that petrol pump prices for November 2015 will **change** and diesel pump prices for November 2015 will **remain unchanged**. The change is effective at **00h01 04 November 2015**.

NAD = Namibian Dollar; USD = United States Dollar; FOB = Freight on Board;
AFRA = Average Freight Rate Assessment; BFP = Basic Fuel Price; BBL = Barrel

The BFP unit rate slate calculations for the period under review (September-October 2015) produced the following results:

The AFRA applicable to Namibia dropped by 20.78% as measured against the AFRA value of the preceding period. An AFRA decrease normally has a positive effect on the recoveries on the regulated prices of fuel products and a downward effect on the general fuel pump prices and vice versa. The pump price for ULP 95 will decrease by a net amount of 20c/l.

Still the NAD remains relatively weak against the USD. The average exchange rate stands at NAD 13.5220 per USD compared to NAD 13.5358 per USD for the preceding period. This represents a NAD appreciation of 0.10% relative to the USD. Oil trading is conducted with the USD around international markets from which Namibian companies import refined hydrocarbons.

Unleaded Petrol 95 traded at an average FOB price of USD 61.193/BBL or NAD 827.452/BBL as compared to USD 62.450/BBL or NAD 845.311/BBL for the preceding period. This represents a decrease of 2.11% in the BBL price for ULP 95.

Furthermore, Diesel 500 ppm traded at an average FOB price of USD 59.174/BBL or NAD 800.151/BBL as compared to USD 59.537/BBL or NAD 805.881/BBL for the preceding period. This represents a decrease of 0.71% in the BBL price for Diesel 500 ppm.

Moreover, Diesel 50 ppm traded at an average FOB price of USD 59.766/BBL or NAD 808.156/BBL as compared to USD 60.263/BBL or NAD 815.708/BBL for the preceding period. This represents a decrease of 0.93% in the BBL price for Diesel 50 ppm.

It is evident from the analysis that the market for refined hydrocarbons is still over supplied and influenced by geopolitical conflicts in Europe and the Middle East. This explains why BBL prices are moving up and down by very low margins. However, the pump price for ULP 95 for November 2015 will decrease due to the fall of the AFRA and the average BBL prices. The over recoveries on both grades of Diesel are too low for adjustment.

The National Energy Fund has been requested by the technical committee on strategic projects to adjust its levy with 10 c/l in order to strengthen its capacity to finance the strategic fuel storage facility. It is for this reason that the Ministry has decided to grant a 10 c/l increase on ULP 95 on the NEF levy to fast-track the mobilization of funds for that national project.

The (under)/over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 October 2015** are indicated below:

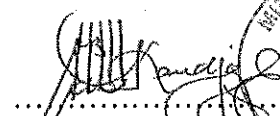
95 Octane Unleaded Petrol	-	40.754 c/ℓ
Diesel 500ppm	-	12.512 c/ℓ
Diesel 50ppm	-	17.461 c/ℓ

The present Walvis Bay pump prices will change and remain as follows:

95 Octane Unleaded Petrol	-	N\$ 10.49 per liter
Diesel 500ppm	-	N\$ 10.42 per liter
Diesel 50ppm	-	N\$ 10.52 per liter

Petrol and diesel pump prices at various inland destinations countrywide will also change and remain unchanged accordingly.

Sincerely yours,



Hon. Obeth Mbuli Kandjoze, MP
Minister Mines and Energy

