



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The Ministry of Mines and Energy announces that fuel pump prices for July 2016 will **increase at 00h01 on Wednesday, the 6th of July 2016.**

Saudi Arabian oil inventories have fallen by 38.6 million barrels since October 2015, taking storage down to 290.9 million barrels, a two-year low. On the other hand, the U.S. has seen over the last month the levels of crude oil sitting in storage decline, falling from 80-year record highs. Inventories have dropped more than 10 million barrels since May, offering clues that suggest that the oil market is moving closer to a supply/demand balance.

The latest fuel price review indicates that the average Freight On Board prices per barrel increased slightly by about US\$ 0.60 for ULP 95 and US\$ 3.00 for both Diesel grades. Barrel prices for refined oil are inching towards US\$ 60.00 on all the regulated hydrocarbons. The Basic Fuel Price Unit Rate Slate calculations for the past month recorded under-recoveries on all the regulated petroleum products. The under-recoveries recorded are sufficient to trigger an increase in local pump prices. However, the National Energy Fund will have to absorb about N\$ 0.04 per litre for ULP95 and N\$ 0.28 per litre for both Diesel grades of these under-recoveries by compensating fuel importers to spare motorists the full cost of the price increase.

The average exchange rate over the past month dropped by 20 cents from N\$ 15.30 to N\$ 15.10 per US\$ and it did not have any major effect on minimizing the under-recoveries recorded for the period reviewed.

The (under)/over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 June 2016** are indicated below:

95 Octane Unleaded Petrol	-	(33.846) c/ℓ
Diesel 500ppm	-	(77.842) c/ℓ
Diesel 50ppm	-	(76.681) c/ℓ

It is recommended that:

Fuel pump prices increase as follows:



95 Octane Unleaded Petrol	- increase by 30c/l (retail)
Diesel (all grades)	- increase by 50c/l (wholesale)

Thus, the new pump prices for Walvis Bay will be:

95 Octane Unleaded Petrol	-	N\$ 10.94 per liter
Diesel 500ppm	-	N\$ 10.62 per liter
Diesel 50ppm	-	N\$ 10.67 per liter

Fuel pump prices countrywide will be adjusted accordingly as well.

Sincerely yours,

HON. OBETH KANDJOZE, MP
MINISTER