



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 and diesel pump prices for July 2015 will **increase at 00h01 on Wednesday, the 1<sup>st</sup> July 2015.**

Although subsidized, Namibia fuel pump prices continue to increase month by month despite the fact that crude prices are falling. It was therefore noted that, crude-oil futures were seeing choppy trade on Tuesday with strength in the dollar and weak manufacturing data for June weighing on sentiment in the oil market. The dollar index DXY, +1.08% was pushing higher in early Tuesday trade, up 1.3 %, amid Greece's tenuous move toward an accord with its international creditors. Because oil is priced in dollars, fluctuations in the dollar can influence the price of crude. The dollar index was up 1.3 percent, while the euro shed nearly 2 percent against the greenback. Oil, denominated in the U.S. currency, becomes less affordable to holders of other currencies such as Namibia when the dollar strengthens. Oil fell after U.S. Federal Reserve Governor Jerome Powell said there could be two interest rate hikes this year, which pushed the dollar higher making it even more badly.

A global surplus of oil continues to put downward pressure on crude prices. Market observers indicated that the coming deadline for the Iranian nuclear deal on June 30 may result in more pressure on oil prices as it paves the way for more Iranian crude exports. Furthermore, Libya may double output to 800,000 barrels a day by next month, according to Mohamed Elharari, a

Tripoli-based spokesman for the state-run National Oil Corp. According to the Saudi Arabia Oil Minister Ali-Al Naimi on June 18, Saudi Arabia, OPEC's biggest member, has further registered its willingness and readiness to produce more oil if demand rises, as it currently has 1.5 million to 2 million barrels a day of spare capacity.

The Ministry, however, always supports a fuel price that is kept at the lowest possible level not to disrupt the transportation costs and thus the entire imported commodity price in Namibia. Through the National Energy Fund, it always subsidizes in the event of huge under-recoveries, and this month it will once more bear the full cost of the resultant under-recoveries recorded.

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

<b>95 Octane Unleaded Petrol</b>	<b>- (76.434 c/l) (retail)</b>
<b>Diesel 0.05%S</b>	<b>- (43.078 c/l) (wholesale)</b>
<b>Diesel 0.005% S</b>	<b>- (36.203 c/l) (wholesale)</b>


The present Walvis Bay fuel pump prices for the controlled petroleum products petrol and diesel will change as follows:

<b>95 Octane Unleaded Petrol</b>	<b>- increase by 40 c/l (retail)</b>
<b>Diesel (all grades)</b>	<b>- increase by 30 c/l (wholesale)</b>

Thus, the new Walvis Bay pump prices will be:

<b>95 Octane Unleaded Petrol</b>	<b>- N\$ 10.99 per liter</b>
<b>Diesel 500ppm</b>	<b>- N\$ 10.82 per liter</b>
<b>Diesel 50ppm</b>	<b>- N\$ 10.92 per liter</b>

Petrol and diesel pump prices at various inland destinations countrywide will also be adjusted accordingly.

  
**OBETH KANDJOZE, MP**  
**MINISTER**

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