



REPUBLIC OF NAMIBIA

## MINISTRY OF MINES AND ENERGY

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### PRESS RELEASE

The Ministry of Mines and Energy has to announce that fuel pump prices for August, 2016 will **remain unchanged**.

As supply continues to return from disruptions, refined products remain oversupplied in the market whilst crude demand is at a constant level, although falling short of the final product's demand. That has been the case throughout the month of July, translating into over recoveries on the local unit rate slate.

Oil prices are very responsive to any excess or shortage of supply in the market, or a slight change in demand. Any of the aforementioned events has an impact on the global oil prices. This time around, prices of refined products fell with over 5% compared to the preceding month's prices. With the exchange rate between the Namibia Dollar against the US Dollar well below N\$15, the decrease in global oil prices led to substantial over recoveries on gasoline (petrol) and slight over recoveries on gasoil (diesel) products.

Over-recoveries would normally trigger a decrease in local pump prices, thereby giving consumers some sort of relief at the pumps. However, due to the fact that the National Energy Fund has been subsidizing larger portions of the under-recoveries recorded in the past two months, it was decided that the current over-recoveries should be absorbed by the Fund to strengthen its capacity to equalize sharp increases in future. The oil market is very volatile and it is difficult to forecast, or even predict future prices. It is, therefore, critical to ensure that the Fund is ready at all times to rescue consumers from unforeseen disruptions in the market, should they occur.


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

95 Octane Unleaded Petrol	-	73.817 c/ℓ
Diesel 500ppm	-	26.538 c/ℓ
Diesel 50ppm	-	27.137 c/ℓ

Thus, the Walvis Bay pump prices will be remain as follows:

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

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

  
..... 2-7-JUL 2016  
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