



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed the fuel price review for the month of November 2022 and wishes to inform the public as follows:

The international oil market continues to expect a huge fall in oil demand amid strong signs of poor performance across many economies. On top of that, there might be further global economic slowdown in the future as the Federal Reserve and other central banks continue to increase interest rates to counter inflation. It is these fears of such a global economic recession that have kept oil prices somewhat static over the last few months. However, oil prices are expected to rise in the coming months following the anticipated ban on Russian crude oil by the European Union which is expected to come into effect on the 5th of December 2022. In addition, it appears that OPEC+ has also agreed to reduce crude oil output by about a million barrels per day from the 1st of November 2022, this means that the supply of crude oil throughout the global market will likely decrease in the coming months. When oil supply decreases, oil prices increase.

The latest calculations by the Ministry indicate that the average price for Unleaded Petrol 95 over the period of 01-21 October 2022 is at USD99.960 per barrel (compared to USD98.005 per barrel at the end of September 2022), a mild increase of about USD2 over the review period. Additionally, the average price for Diesel 50ppm over the period of 01-21 October 2022 is at USD142.984 per barrel (compared to USD135.528 per barrel at the end of September 2022), a much higher increase of about USD8 per barrel over the review period.

Furthermore, the exchange rate figures for the period of 01-21 October 2022 indicate that the NAD has depreciated against the USD at N\$18.0870 per USD (compared to N\$17.5851 per USD at the end of September 2022). This currency depreciation contributes to fuel price under-recoveries and has an ultimate negative effect in terms of the pockets of local fuel consumers.

In addition, the public must take note that following the recommendation and advise of the Ministry of Finance, the road user charges and the MVA levy were reinstated back to 148 cents per litre and 50.3 cents per litre, respectively, on the 5th October 2022. This has also placed additional pressure on the local fuel prices that are paid by consumers at the pumps.

Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded a combination of a low over-recovery on petrol and a high under-recovery on diesel, namely an over-recovery of 13 cents per litre on petrol and an under-recovery of about 260 cents per litre on diesel.

The Ministry is, thus, hereby announcing that **diesel prices will increase by 198 cents per litre and the petrol prices will remain unchanged. The new fuel prices in Walvis Bay will thus become N\$ 24.10 per litre for diesel and will remain N\$ 20.08 per litre for petrol. The diesel prices across the rest of the country will also be adjusted accordingly. These adjustments will become effective at 00h01 on 02nd November 2022.**

In conclusion, the Ministry will continue to set fuel prices at a level which is reflective of oil market dynamics to ensure the security of fuel supply in the country.

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