



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The global oil market remains favourably volatile to net importers of oil like Namibia in that oil prices have fallen during the period under review. Refined oil product prices fell from an average of US\$75 and US\$77 per barrel of petrol and diesel respectively, in July 2019, to an average of US\$70 and US\$75 per barrel of petrol and diesel in August. While oil prices have fallen, the exchange rate between the Namibian Dollar against the US Dollar has depreciated significantly, from an average of N\$14.04 in July to N\$15 in August 2019. The end results are minimal over-recoveries recorded, insufficient to warrant a price reduction.

Moreover, as outlined in the national budget statement earlier this year, the Ministry of Finance has increased and gazetted fuel tax by 25 c/l, from 65 c/l to 90 c/l, on the 2nd of August, 2019. The Ministry of Finance has autonomy over tax rate adjustments, hence the Ministry of Mines and Energy is currently compelled to increase the fuel tax by **25 c/l** effective from the 1st of September, 2019.

The over-recoveries per product on the Basic Fuel Price (BFP) import parity landed in Walvis Bay as calculated at **26 August, 2019** are indicated below:

95 Octane Unleaded Petrol	-	16.946 c/ℓ
Diesel 50ppm	-	20.915 c/ℓ

Naturally, over-recoveries trigger a fuel price reduction in the local market. However, due to the fuel tax which was supposed to be imposed on the pump prices the day it was gazetted, a reduction is currently not possible. **Based on the afore-mentioned reasons, the Ministry will thus keep fuel pump prices for the month September, 2019, unchanged.**

Fuel pump prices in Walvis Bay will remain as follows:

95 Octane Unleaded Petrol	-	N\$ 13.05 per litre
Diesel 50ppm	-	N\$ 13.63 per litre

Fuel pump prices countrywide will equally remain unchanged for the month of September 2019.

Yours sincerely,

