



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 September 2015 will **decrease at 00h01 on Wednesday, the 2nd September 2015.**

Although subsidized, Namibia fuel pump prices continue to increase month by month despite the fact that crude prices are falling. This is brought about by opposites that in conflict: Brent crude is on a decreasing trend whilst the exchange rate between the South African Rand, to which the Namibian Dollar is pegged, against the US dollar is shooting up. Filtered through the local market, this conflicting developments have deprived consumers for months the full benefits of lower international crude oil prices as local companies still feels the pinch of unfavourable exchange rate as they make purchases to bring refined petroleum products to our shores. It is, however, worth noting that this time around substantial over-recoveries were recorded to trigger a decrease and give local motorists a relief at the pumps.

It is also clear that it is no longer supply and demand for oil that is dictating the price but is instead the financial markets and more importantly money flows tied to central bank policy. This can be ascertained by a session that saw prices fall as much as 6 percent after a Chinese equities rout sent global markets into a tailspin. The rand to which the Namibian dollar is pegged weakened 3.3% to R13.41/US\$, the most since September 2011, data compiled by Bloomberg show. The exchange rate has a strong influence on the fuel pump prices in our country.

The National Energy Fund has been requested by the technical committee on strategic projects to adjust its levy with 20 c/l in order to strengthen its capacity to finance the strategic fuel storage facility. It is for this reason that the Ministry has decided to grant a 10 c/l increase on the NEF levy to fast-track the mobilisation of funds for that national project.

The over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **24 August 2015** are indicated below:

95 Octane Unleaded Petrol	-	(36.604) c/ℓ
Diesel 500ppm	-	(86.828) c/ℓ
Diesel 50ppm	-	(89.564) c/ℓ

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

95 Octane Unleaded Petrol	- decrease by 30 c/l (retail)
Diesel (all grades)	- decrease by 40 c/l (wholesale)

Thus, the new Walvis Bay pump prices will be:

95 Octane Unleaded Petrol	-	N\$ 10.69 per liter
Diesel 500ppm	-	N\$ 10.42 per liter
Diesel 50ppm	-	N\$ 10.52 per liter

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

Sincerely yours,


OBETH KANDJOZE, MP
MINISTER

