



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

Tel: +264 61 284-8308
Fax: +264 61 2848363 / 220386
E-mail: officeoftheminister@mme.gov.na
Website: www.mme.gov.na

OFFICE OF THE MINISTER

1 Aviation Road
Private Bag 13297
WINDHOEK
NAMIBIA

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PRESS RELEASE

The Ministry of Mines and Energy has to announce that fuel prices will **decrease at 00h01 on Wednesday, the 11th of July 2012.**

Global oil prices have declined drastically, the biggest in three years owing to signs of slowing growth in countries with enormous appetite for oil, most notably China and USA. The deepening slump in Europe has also contributed immensely to low crude prices. From a demand-supply perspective, two factors that play a major role in determining the prices of tradable commodities, there seem to be a substantial amount of oil in the market, hence the demand has not surpassed supply to drive the prices up.

It is, however, important to caution that the Europe-Iran sanctions came into effect on the 1st of July, a situation that would see a million barrel removed out of the market due to that supply disruption. It is, therefore, expected that prices of crude may increase sharply again in the months ahead if a shortfall in supply of oil prevails for a relatively longer period.

Since last year, the MVA Fund has been pleading for the increase on their levy, but due to unfavourable prices in the oil market, the Ministry could not grant them an increase as per their request. The Ministry has therefore decided to increase the MVA Fund levy by **2 c/l** on both petrol grades and diesel. At the same time, the NEF fuel levy is to be increased by **5 c/l**, this will enable the fund to fulfil its obligation of financing the strategic fuel storage facility. The storage facility is a national project which, upon completion, will ensure the future security of oil supply in the country during hard times.

The present Walvis Bay fuel pump prices for the controlled petroleum products, petrol and diesel, are high and are to be adjusted as follows:

93 Octane Lead Replacement Petrol - decreased by 75 c/l (retail)
95 Octane Unleaded Petrol - decreased by 75 c/l (retail)
Diesel - decreased by 50 c/l (wholesale)

Thus the new Walvis Bay pump prices will be:

93 Octane Leaded Replacement Petrol - N\$ 9.28 per litre
95 Octane Unleaded Petrol - N\$ 9.40 per litre
Diesel - N\$ 9.86 per litre

Pump prices at various inland destinations countrywide will also be adjusted accordingly.


HON. ISAK KATALI, MP
MINISTER

