



REPUBLIC OF NAMIBIA

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MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed the fuel price review for the month of May 2021 and wishes to inform the public as follows:

Oil prices have suddenly stabilized after a continuous increase for nearly five months in a row. The international oil market has been hit by fears of a slow-down in oil demand after India, the world's third-largest oil importer after China and the United States, imposed restrictions as coronavirus infections and deaths surged to record highs. Japan, the world's fourth-biggest oil importer, is also expected to announce a wave of lockdowns due to Covid-19. Fears of a decline in the demand for oil across Asia are, however, counteracted by the decline in Libya's oil production due to internal problems. These developments have a direct impact on the global demand and supply equation for oil, and the markets have reacted accordingly.

Furthermore, the exchange rate has seen an appreciation of the N\$ against the USD at roughly N\$ 14.4272 per USD during the month of March 2021 versus the average exchange rate for March 2021 at N\$ 14.9207 per USD. This currency appreciation has also contributed to the final price stabilization which has manifested during the month of April. During April, the per barrel prices of petrol across the international product market have slightly decreased from USD 73.64 to USD 73.63 while those of diesel decreased from about USD 68.55 to 66.89 during the current review.

Based on these reasons, the current review has shown a sudden stabilization in especially the barrel prices of oil which is very different from the volatile prices that were recorded over the last few months.

The current review has an under-recovery of 38 cents on petrol and an over-recovery of 14 cents on diesel. These values are relatively low and therefore, the Ministry has resolved **to keep the fuel pump prices for May 2021 unchanged**. The fuel pump prices in Walvis Bay will remain **N\$ 13.15** per liter for petrol and **N\$ 13.18** per liter for diesel. The prices across the rest of the country will also remain unchanged at their current respective levels.

The international oil market is a very volatile environment, and oil prices can swing in any direction at any given moment. The Ministry will, however, continue to monitor the global oil market developments and take the best possible decisions to safeguard the interests of Namibian fuel consumers.

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