



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

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MEDIA RELEASE

The highlight of September 2019 in the global oil market was the attack on Saudi Arabian oil facilities. Initial fears that oil prices will drastically rise were quelled when the state oil producer Saudi Aramco announced that the facilities will be restored back to full capacity as soon as possible. The market volatilities contributed to measured increases in oil prices. Refined oil traded at an average of US\$72 and US\$77 per barrel of petrol and diesel, respectively, in September 2019, in comparison to a final an average of US\$69 and US\$74 per barrel of petrol and diesel in August. The average exchange rate improved slightly in favour of Namibia, dropping to an average of N\$14.9/US\$ for September from a final average of N\$15.2/US\$ in August. The end results are moderate under-recoveries recorded on fuel pump prices.

The 2017 Petroleum Activities Return (PAR) report indicates that oil companies are failing to generate sufficient returns on their investments in the petroleum sector. Thus, an adjustment in their margins to a level that would encourage sustainability and further investment is required. The Ministry has, therefore, decided to increase the Industry Margin by 3 c/l from 93 c/l to 96 c/l on all the price regulated fuel products. The effective date for this adjustment is the 2nd of October 2019.

The under-recoveries per product on the Basic Fuel Price (BFP) import parity landed in Walvis Bay as calculated at **24 September 2019** are indicated below:

95 Octane Unleaded Petrol	-	(34.715) c/ℓ
Diesel 50ppm	-	(32.358) c/ℓ

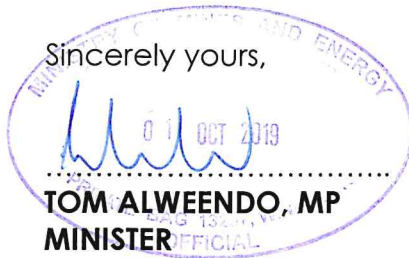
Traditionally, under-recoveries call for equivalent increases in local fuel pump prices. However, the National Energy Fund, which absorbs under-recoveries on behalf of consumers from time to time, is in a stable financial position and will, thus, absorb the under-recoveries recorded during this month. **The Ministry will, thus, keep fuel pump prices for the month October 2019, unchanged.**

Fuel pump prices in Walvis Bay will remain as follows:

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

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

Sincerely yours,



TOM ALWEENDO, MP
MINISTER