



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy hereby wishes to amend the Media Release on the Fuel Price Review for February 2024 as announced on 5 February 2024. The amendment is with regard to the application of the road transport rates that have been reviewed in order to enable the ease of implementation and mitigate adverse impacts on the fuel distributors. To that end, the Ministry has reassessed the effects of the revised transport rates related to the review of the fuel price for February 2024 and hereby informs the public of its decision.

Global oil prices are on an upward trajectory due to the decline in crude oil inventories in some major international oil markets, amid geopolitical tensions in the Red Sea area that have led to armed attacks on several oil vessels operating in that area. The declining oil inventories, geopolitical unrest and the mixed signals on oil production emanating from the Organization of the Petroleum Exporting Countries (OPEC) have all created some level of oil supply uncertainty in the market, which is presently pushing up oil prices.

The latest calculation by the Ministry indicates that the average price of Unleaded Petrol 95 over January 2024 stood at USD93.782 per barrel, compared to USD90.441 per barrel at the end of December 2023, indicating an increase of over USD3 per barrel or 3.7% over the review period. Additionally, the average price of Diesel 50ppm over January 2024 stood at USD99.536 per barrel, compared to USD97.908 per barrel at the end of December 2023. This is an increase of over USD1.6 per barrel or 1.7% over the review period. Moreover, the average price of Diesel 10ppm over January 2024 was at USD100.764 per barrel, compared to USD98.709 per barrel at the end of December 2023, an increase of over USD2 per barrel or 2.1% over the review period.

Furthermore, the exchange rate figures for the period of 01–30 January 2024 indicated a 0.88% depreciation of the NAD against the USD at N\$18.8023 per USD, compared to N\$18.6383 per USD at the end of December 2023.

Having, considered all the input factors mentioned above into the fuel pricing model, the Ministry noted under-recoveries on both petrol and diesel products, amounting to an under-recovery of 44 cents per litre on petrol and under-recoveries of 33 cents on diesel 50ppm and 28 cents per litre on diesel 10ppm. In this regard, and to avert adverse impact on the consumer, the Ministry has resolved that these volatility-induced under-recoveries will be cushioned by the National Energy Fund in their entirety.

At the same time, however, the Ministry has reviewed the transport rates, which play a crucial role in enabling the distribution of fuel to different parts of the country from the various supply depots. These transport rates have not been reviewed since 2007. The review of the transport rates was done through an industry-wide assessment and their application has taken into account the input from the industry. As such, this entails that for all the areas that do not attract subsidies, the fuel pump prices will increase based on the adjustments of the new transport rates which will be published on the Ministry's website and in the Government Gazette with effect from 07 February 2024, at 00h01. Thus, the Walvis Bay fuel prices will remain unchanged at **N\$20.78 per litre** for petrol, **N\$21.05 per litre** for diesel 50ppm, and **N\$21.25 per litre** for diesel 10ppm.

The Ministry has further decided to extend the temporary relief margin of 20 cents per litre for another 3 months (February – April 2024) to oil wholesalers, as this will ensure that the country will continue to enjoy the security of supply of petroleum products.

The Ministry will continue to monitor the market moving forward in hopes that the conditions will improve in favour of the oil consumers. This Media Release replaces the similar announcement released by the Ministry on 5 February 2024.

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