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MEDIA RELEASE

The Ministry of Mines and Energy herein announces that fuel pump prices for **October 2016** will remain **unchanged**.

Global oil markets are witnessing a profound change in the shape of a correction that happens once in 20 years if not more. The oil price slide which began in July 2014 has seen major benchmarks shed over 50% of their value. It is quite unlike any other slump in recent memory. Due to this slide, crude oil prices have remained below US\$55 for over 18 months since its inception.

There still remains a substantial supply of oil in the market, a factor that will keep prices low for a longer period. Unless the surplus production level falls to around 500,000 barrels per day, price-supporting factors such as geopolitical risk, natural disruptions, industrial hiccups and situational demand spikes would struggle to come into play.

In a period of low global oil prices, motorists expect local pump prices to be lower too. That is, however, not the case because of the adverse effects of the exchange rate (or price of citizenship). In the period under review, the Namibian Dollar has weakened, on average, against the US Dollar, from N\$13.7 in August to N\$14.1 in September. That resulted in marginal over-recoveries throughout September, though not sufficient to trigger an adjustment.

The over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 September 2016** are indicated below:

95 Octane Unleaded Petrol	-	(0.951) c/ℓ
Diesel 500ppm	-	0.642 c/ℓ
Diesel 50ppm	-	2.690 c/ℓ

Thus, the Walvis Bay pump prices will remain as follows:

95 Octane Unleaded Petrol	-	N\$ 10.48 per liter
Diesel 500ppm	-	N\$ 10.28 per liter
Diesel 50ppm	-	N\$ 10.33 per liter

Fuel pump prices countrywide will also remain unchanged.

Sincerely yours


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HON. OBETH KANDJOZE, MP
MINISTER

