



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed 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 OPEC have all created some level of oil supply uncertainty in the market, which is presently exerting an upward pressure on 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.

At the same time, however, the Ministry has reviewed the transport rates, which play a crucial role in enabling the distribution of fuel to all different parts of the country, which have not been reviewed since 2007. In light of this, for areas that do not attract subsidies, the pump price will be attuned based on adjustments of new transport rates in areas where fuel is transported from inland depots via road. This is because changes in transport rates directly impact the pump price in each town.

To that end, the Ministry is hereby announcing that petrol prices and the prices for both variants of diesel (diesel 50ppm and diesel 10ppm) will only change with the adjustments of the Ready Reckoner Rates referred to above during February 2024. In Walvis Bay, the price of petrol will thus become **N\$20.74 per litre** for petrol, **N\$21.01 per litre** for diesel 50ppm, and **N\$21.21 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 benefit from stable and secure 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.

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