



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

MEDIA RELEASE

FUEL PRICE REVIEW ANNOUNCEMENT

The Ministry of Mines and Energy has completed the fuel price review for the month of October 2022 and wishes to inform the public as follows:

Oil prices continued to fall throughout the month of September 2022. The current prices signify the lowest level since January 2022 amid rising fears that a looming economic downturn will hurt global demand in energy markets. The price of U.S. benchmark West Texas Intermediate is now trading at about \$79 per barrel, reaching its lowest point since January 2022 amid mounting recession fears. Meanwhile, the price of international benchmark Brent crude is trading at about \$87 per barrel. However, oil prices may still rebound since global supply could be further limited in the long-term as sanctions on Russian energy tighten amid the ongoing conflict in Eastern Europe.

The latest calculations by the Ministry indicate that the average price for Unleaded Petrol 95 over the period of 01-23 September 2022 is at USD98.794 per barrel (compared to USD110.334 per barrel at the end of August 2022), a huge decrease of about USD12 over the review period. Additionally, the average price for Diesel 50ppm over the period of 01-23 September 2022 is at USD133.675 per barrel (compared to USD136.360 per barrel at the end of August 2022), a much lower decrease of about USD3 per barrel over the review period.

Furthermore, the exchange rate figures for the period of 01-23 September 2022 indicate that the NAD has depreciated against the USD at N\$17.4573 per USD (compared to N\$16.6985 per USD at the end of August 2022). This currency depreciation has a negative effect on the import parity price calculations and the local pump prices of fuel.



Therefore, after entering the above input factors into the fuel pricing model, the Ministry recorded a combination of a high over-recovery on petrol and a low under-recovery on diesel, namely an over-recovery of 234 cents per litre on petrol and an under-recovery of about 33 cents per litre on diesel.

In addition, the Ministry has also resolved to reinstate the road user charges and the MVA levy back to their original levels while the NAMCOR levy will remain at its current level until further notice.

The Ministry is, thus, hereby announcing that petrol prices will **decrease by 100 cents per litre** and the **diesel prices will remain unchanged. The new fuel prices in Walvis Bay will thus become N\$ 20.08 per litre for petrol and will remain N\$ 22.12 per litre for diesel.** The fuel prices across the rest of the country will also be adjusted accordingly. These adjustments will become effective at **00h01 on 05th October 2022.**

In conclusion, the Ministry recognises that the situation in the international oil market is steadily improving for the better, although geopolitical instability and market volatilities might continue to have an unwanted impact on local fuel prices.

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