



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

Tel: +264 61 284-8308
Fax: +264 61 2848363 / 220386
E-mail: officeoftheminister@mme.gov.na
Website: www.mme.gov.na

OFFICE OF THE MINISTER

1 Aviation Road
Private Bag 13297
WINDHOEK
NAMIBIA

30 May 2017

Ref: 10/5/4/2

MEDIA RELEASE

The Ministry of Mines and Energy announces that fuel pump prices for **June 2017 will remain unchanged.**

The overall prices of oil products fell during May 2017. The prices are pressured by investor concerns that production cuts by the world's big oil exporters may not be enough to drain a global glut that has depressed the market for almost three years. The Organization of the Petroleum Exporting Countries and other oil producers, including Russia, recently agreed to strictly control supply until the end of the first quarter of 2018, nine months longer than originally planned. Collective output by OPEC and other producers will be held around 1.8 million barrels per day (bpd) below its level at the end of last year.

The results of the latest fuel price review indicate that the average Free On Board prices per barrel decreased by about US\$ 4 for ULP 95 and US\$ 3 for both Diesel grades. Barrel prices for refined oil traded at an average of US\$ 63.374 for ULP95, US\$ 60.359 and US\$ 60.407 for Diesel 500ppm and Diesel 50ppm respectively. The Basic Fuel Price Unit Rate Slate calculations for the past month recorded low over-recoveries on all the price regulated petroleum products. The over-recoveries recorded are sufficient enough to trigger a small decrease in local pump prices.

The average exchange rate remained stable at about N\$ 13.3071 per US\$ over the period reviewed. Despite the exchange rate stability in the financial markets the prices of fuel products were affected by OPEC's market demand and supply manipulations.

However, the Ministry of Mines and Energy in conjunction with the Ministry of Finance has resolved to adjust the Road User Charge on all price regulated petroleum products by 8 cents per litre from 114 cents per litre to 122 cents per litre. The increase of the Road User Charge on fuel products is warranted by the need to upgrade and maintain the road network in Namibia.

Furthermore, the Ministry of Mines and Energy resolved to balance out the Road User Charge increase by decreasing the pump prices of all fuel products by 8 cents per litre. In essence, the Road User Charge has increased but fuel pump prices remain unchanged due to the favourable over-recoveries that have absorbed both of these adjustments.

The over-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 May 2017** are indicated below:


95 Octane Unleaded Petrol	-	22.309 c/ℓ
Diesel 500ppm	-	20.661 c/ℓ
Diesel 50ppm	-	25.266 c/ℓ

Fuel pump prices in Walvis Bay will remain as:

95 Octane Unleaded Petrol	-	N\$ 11.00 per liter
Diesel 500ppm	-	N\$ 10.83 per liter
Diesel 50ppm	-	N\$ 10.88 per liter

Fuel pump prices countrywide will also remain unchanged.

Sincerely yours


.....
Hon. Obeth Mbur Kandjoze, MP
Minister of Mines and Energy

