



REPUBLIC OF NAMIBIA

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## MINISTRY OF MINES AND ENERGY

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### MEDIA RELEASE

The Ministry of Mines and Energy announces that fuel pump prices for **August 2018 will increase at 00h01 1<sup>st</sup> August 2018.**

The results of the latest fuel price review indicate that the oil importers paid more than the prices set by the government to bring fuel products into the country. The final figures recorded are way above the prices set by the government and these pricing under-recoveries are huge enough to trigger upward adjustments in the local pump prices in order to create cost-recovery equilibrium in the local market. **However, the under-recoveries will be wholly absorbed by the National Energy Fund (NEF) on behalf of consumers. Last month (June 2018) the NEF also financed the entire under-recovered amount on behalf of fuel consumers.**

### FUEL TAX ADJUSTMENT

The Ministry of Finance is mandated to generate and collect tax revenue for the government. To that end, the Ministry of Finance has decided to adjust the Fuel Tax by **25 c/l from 40 c/l to 65 c/l** on all the price controlled petroleum products effective 4<sup>th</sup> July 2018. However, the NEF reimbursed oil importers as this adjustment was not passed on at the pumps. The local oil market operates on a cost-recovery model and the idea is that all supply costs are passed on to consumers at the pumps. The **effective date** for this adjustment at the pumps is **1<sup>st</sup> August 2018.**

### Import Parity

The over/(under)-recoveries per product on the BFP import parity landed in Walvis Bay calculated as at **25 July 2018** are indicated below:

<b>95 Octane Unleaded Petrol</b>	-	<b>(69.626) c/l</b>
<b>Diesel 500ppm</b>	-	<b>(59.532) c/l</b>
<b>Diesel 50ppm</b>	-	<b>(59.591) c/l</b>

Fuel pump prices in Walvis Bay will increase (Fuel Tax only) as follows:

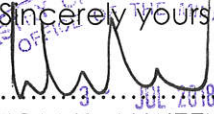
<b>95 Octane Unleaded Petrol</b>	- <b>increase by 25 c/l (retail)</b>
<b>Diesel (all grades)</b>	- <b>increase by 25 c/l (wholesale)</b>

Thus, the new fuel pump prices in Walvis Bay will be:

<b>95 Octane Unleaded Petrol</b>	-	<b>N\$ 12.55 per liter</b>
<b>Diesel 500ppm</b>	-	<b>N\$ 12.88 per liter</b>
<b>Diesel 50ppm</b>	-	<b>N\$ 12.93 per liter</b>

Fuel pump prices countrywide will also be adjusted accordingly.

Sincerely yours



.....3.....JUL 2018.....  
TOM K. ALWEENDO, MP  
**MINISTER**  
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