

Fuel Snapshot

28 April 2025

The Namibian Ministry of Industries, Mines and Energy has announced that fuel prices will remain unchanged for May 2025.

Non-OPEC crude oil supply continues to be drive falling oil prices. The United States has maintained relatively high output levels, while OPEC countries continue with planned supply increases. Rising tariff-related trade tensions are raising concerns about weaker economic growth, which in turn is reducing oil demand.

According to the Ministry's fuel pricing model, both petrol and the diesel variants recorded over-recoveries. The over-recoveries¹ indicate favourable market conditions, despite exchange rate pressure. Additionally, The Ministry's latest data from April reveals a decline in barrel prices with Petrol 95 averaging 77.52 USD per barrel, a 4.91% drop from March. Diesel 50ppm fell 5.30% to 80.62 USD per barrel and Diesel 10ppm dropped 5.32% to 80.75 USD per barrel.

Key Domestic Factors

April's favorable global market forces and over-recoveries support a fuel price reduction, but the Ministry emphasized that domestic factors also played a role in its decision.

1. **Namibian Dollar Depreciation** – The Namibian Dollar depreciated by 4.27% against the US Dollar in April, trading at an average of N\$19.0329 per USD compared to N\$ 18.26 per USD in March. The exchange rate is making fuel imports more expensive with a throughput effecting the final consumer.

Outlook

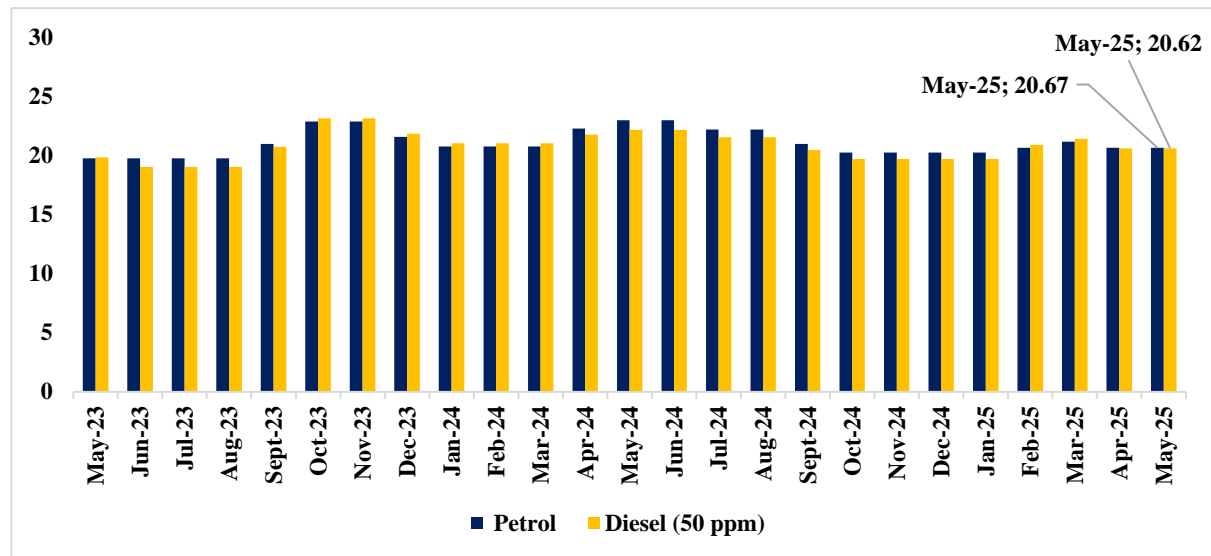
The reduction in fuel prices is expected to ease inflationary pressures, particularly in sectors such as transportation, which saw a 1.7% increase in March compared to February, contributing to the 4.2% annual CPI level recorded in March. The broader outlook remains uncertain, with the 90-day Pause/Reduction on global Tariffs announced on April 2nd, the escalating Sino-US trade war and worsening concerns of slowed economic growth, oil demand may continue to decrease.

The Ministry highlighted key risks that could affect future fuel price movements, including potential shifts in OPEC+ supply strategies and the ongoing Ukraine-Russia conflict, both of which could trigger a shock to market stability. Domestically, managing inland transportation costs and maintaining supply chain efficiencies will be key for stability in future fuel price reviews.

¹ Petrol Recorded an Over-recovery of 13.357 cents/litre, Diesel 10ppm recorded 25.829 cents/litre and Diesel 50ppm recorded 17.394 cents/litre

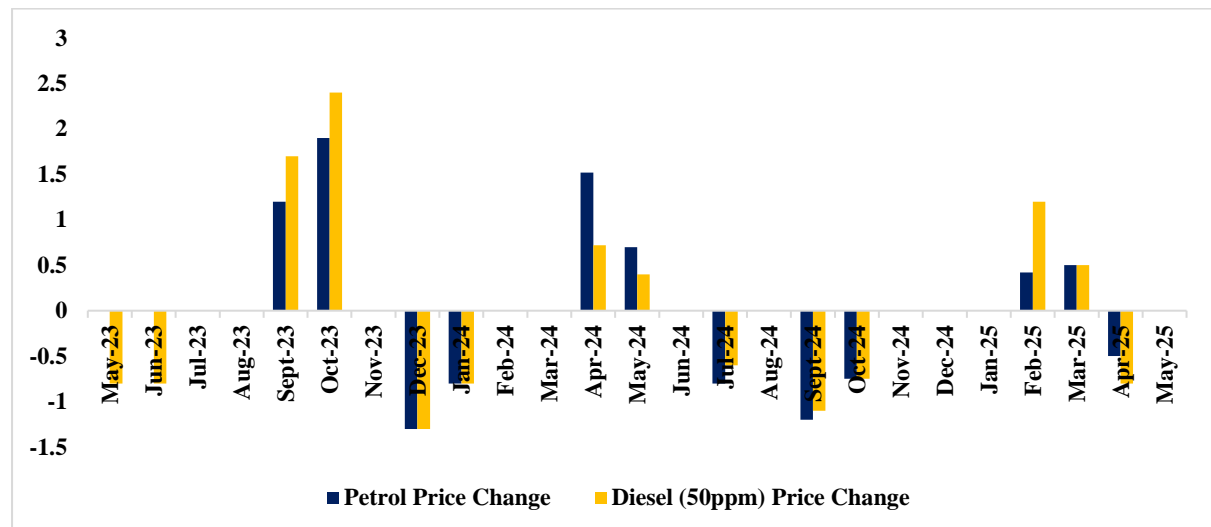
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Figure 1: Walvis Bay Fuel Price, May 2023 – May 2025



Source: MIME & NAMCOR

Figure 2: Fuel Price Changes, May 2023- May2025



Source: MIME & NAMCOR