

Fuel Snapshot

03 June 2025

The Namibian Ministry of Industries, Mines and Energy has announced a **reduction in fuel prices for June 2025**, to take effect on **Wednesday, 4 June**. Petrol Reducing by N\$ 0.30 and both Diesel variants by N\$0.70.

Global Oil Market Dynamics

International diesel prices declined throughout May as markets responded to signals of oversupply and slowing demand. OPEC+ flagged plans to boost output, raising concerns about excess supply. Combined with ongoing trade tensions and weaker economic indicators, this contributed to reduced demand for crude oil. As a result, prices dropped below US\$80 per barrel, pointing to a softer global market outlook.

Supply chain interruptions were affected by the sanctions as freight and demurrage costs increased, particularly for clean tankers. The rise was mainly driven by stronger United States sanctions on Russia and growing demand for oil shipments from the Middle East to Asia. These factors disrupted the movement of refined fuels even though diesel prices were generally falling.

Ministry Pricing Model Data

Over-recoveries in the international oil market for May have supported the Ministry's decision to reduce domestic fuel prices. The Ministry recorded over-recoveries of 36.5 cents per litre on petrol, 79.6 cents per litre on Diesel 50ppm, and 87.4 cents per litre on Diesel 10ppm.

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** – In May¹ the Namibian Dollar strengthened against the USD, averaging N\$18.21 per USD, reflecting a 3.66% appreciation compared to April, N\$18.9 per USD.

Outlook

The announced reductions should offer short-term relief for consumers and ease inflationary pressure, particularly in transportation. However, external risks remain. These include possible changes in OPEC+ production decisions, instability linked to the Russia-Ukraine conflict, and the ongoing trade policy uncertainty. Locally, keeping inland logistics efficient will be critical for sustaining fuel price stability going forward.

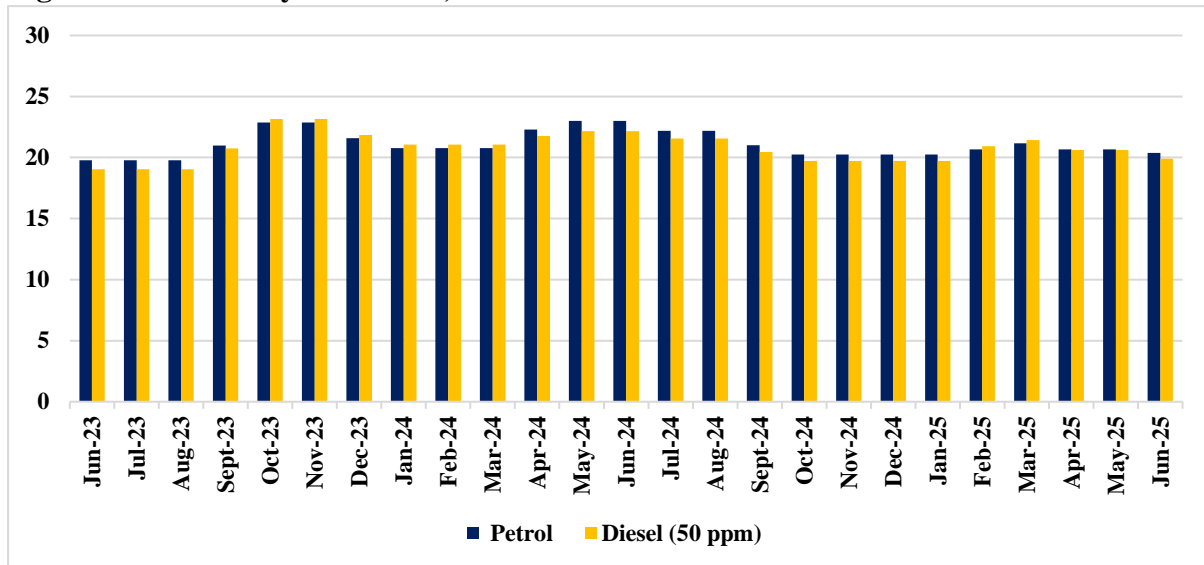
Fuel Price Adjustments (effective 4 June 2025):

- Petrol: reduced by 30 cents per litre
- Diesel 50ppm: reduced by 70 cents per litre
- Diesel 10ppm: reduced by 70 cents per litre

¹ Exchange Rate for 1st – 22nd May

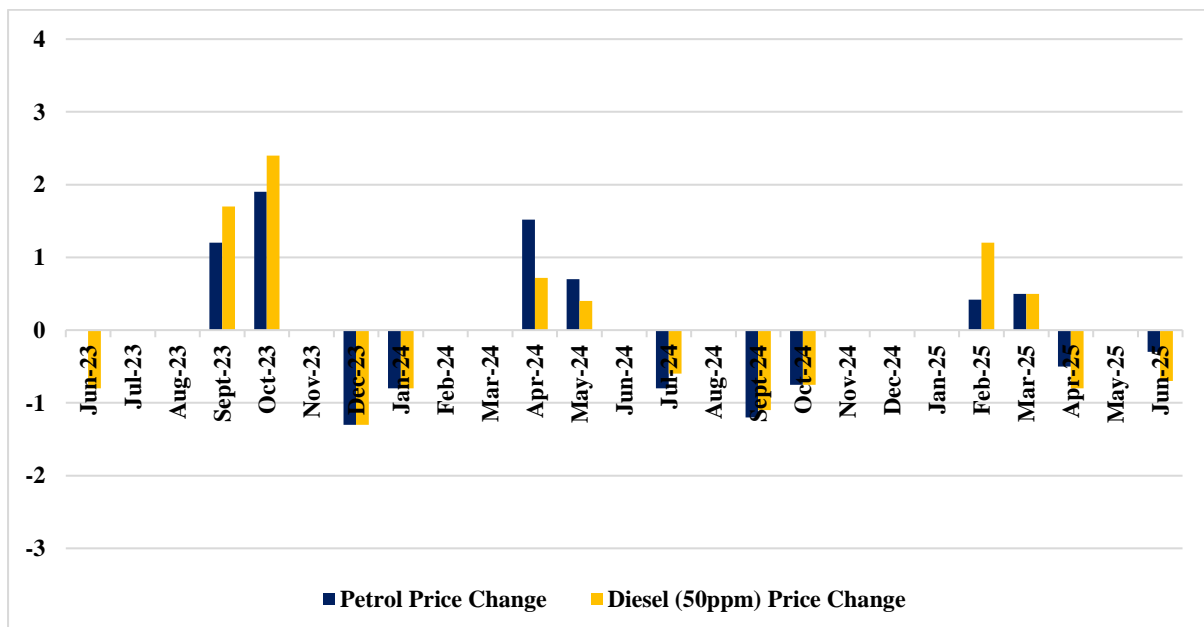
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Figure 1: Walvis Bay Fuel Price, June 2023 – June 2025



Source: MIME & NAMCOR

Figure 2: Fuel Price Changes, June 2023- June 2025²



Source: MIME & NAMCOR

² Months without visible bars indicate no change in price.