

Fuel Snapshot

July 2025

Overview

The Namibian Ministry of Industries, Mines and Energy has announced that fuel prices will **remain unchanged for July 2025.** This is the 3rd time in 2025 that the fuel price has remained unchanged, see figure 2.

1. GLOBAL OIL MARKET DYNAMICS

The recent decline in oil prices came to a halt due to escalating political tensions in the Middle East, particularly the intensified conflict between Israel and Iran. Both countries are located near key trade chokepoints vital for global oil shipments, prompting OPEC+ to increase supply costs by rerouting vessels to avoid these high-risk areas. These longer routes required more fuel and led to higher port fees and increased logistical expenses, raising the cost of importing oil. As a result, global oil suppliers faced under-recoveries.

2. MINISTRY PRICING MODEL DATA

Under-recoveries in the international oil market have supported the Ministry's decision to maintain domestic fuel prices. The Ministry recorded under-recoveries of 53.01 cents per litre for Petrol, 59.79 cents per litre for 50ppm variant of Diesel and 53.54 cents per litre for 10ppm variant of Diesel.

3. KEY DOMESTIC FACTORS

June's unfavourable market conditions were offset by positive domestic developments:

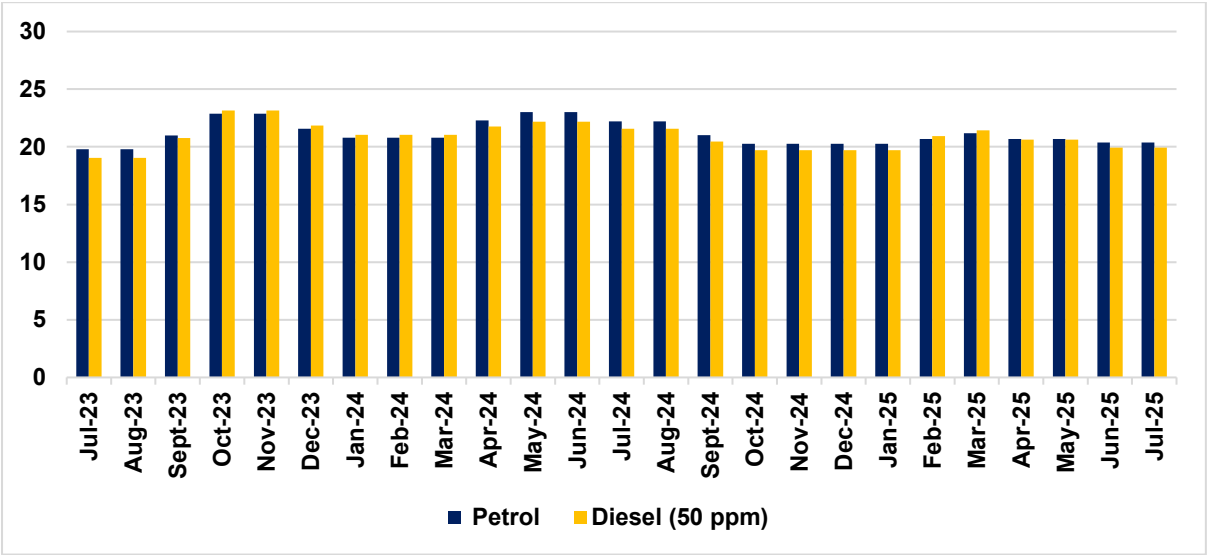
1. **Namibian Dollar Depreciation** – In June¹ the Namibian Dollar strengthened against the USD, averaging N\$17.85 per USD, reflecting a 1.5% appreciation compared to May, N\$18.12 per USD.

Outlook

Fuel prices remain steady as short-term disruptions from ongoing conflicts are balanced by supportive currency movements. While some progress has been made toward de-escalation around the Strait of Hormuz near Iran, trade uncertainties persist due to continued tensions near key chokepoints such as the Suez Canal near Israel and Palestine, and the Black Sea region affected by the Russia-Ukraine conflict. Meanwhile, the Namibian dollar's recent strengthening against the US dollar has helped ease some cost pressures. Given these factors, the overall trade outlook remains uncertain.

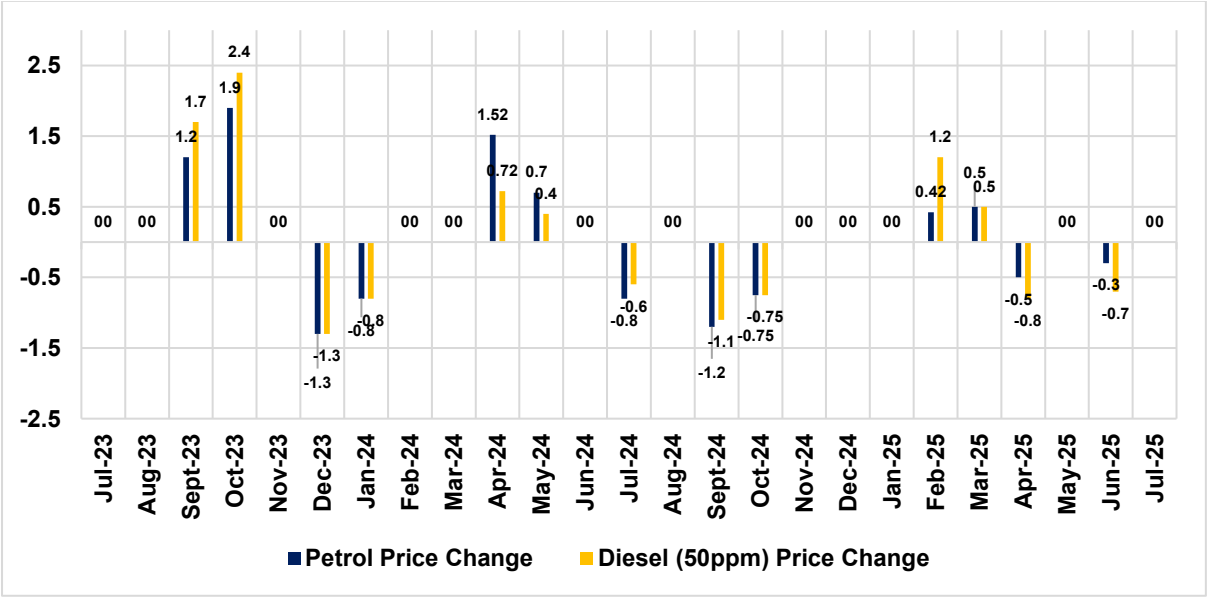
¹ Exchange Rate for 1st – 24th June

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



Source: MIME & NAMCOR

Figure 2: Fuel Price Changes, June 2023- June 2025



Source: MIME & NAMCOR