

# Fuel Snapshot

April 2026

## Overview

The Ministry of Industries, Mines and Energy has announced an increase in Namibian **fuel pump prices for April 2026**. **Petrol will increase by N\$2.50 per litre, while both diesel 50ppm and diesel 10ppm will increase by N\$4.00 per litre.** This decision follows developments in international oil markets, exchange rate movements, and the outcome of the Ministry's fuel pricing model for the march review period.

## GLOBAL OIL MARKET DYNAMICS

During March 2026, global oil markets experienced a sharp increase in costs driven by escalating geopolitical tensions in the Middle East. These developments increased market uncertainty and introduced a significant geopolitical risk premium into crude oil and refined petroleum product prices.

Concerns over potential supply disruptions, especially around key shipping routes such as the *Strait of Hormuz*<sup>1</sup>, also contributed to higher freight and insurance costs. As a result, the cost of importing fuel rose materially during the review period.

### Average international product prices for the period 1 to 23 March 2026 were as follows:

- Petrol 95 averaged USD 124.92 per barrel, up 56.9% from February.
- Diesel 50ppm averaged USD 197.53 per barrel, up 122.1%
- Diesel 10ppm averaged USD 197.90 per barrel, up 122.2%.

The Namibia Dollar weakened during the review period, further increasing the local currency cost of imported fuel.

As a result, March pricing dynamics were driven by sharply higher product prices, elevated freight and insurance costs, and exchange rate depreciation, placing substantial upward pressure on domestic fuel costs.

## MINISTRY PRICING MODEL DATA

During the review period, the Ministry's fuel pricing model incorporated international product prices, freight costs and exchange rate movements to determine import parity costs.

The average exchange rate for 1 to 23 March 2026 was **N\$16.62 per USD**, reflecting a **3.9% depreciation** compared to the February average of **N\$16.00**. The weaker Namibia Dollar increased the local currency cost of imported fuel, compounding the impact of higher international product prices.

### Based on these combined inputs, the pricing model recorded the following under-recoveries:

- **403.31 cents per litre** for Petrol (ULP95).
- **737.69 cents per litre** for Diesel 50ppm.
- **747.72 cents per litre** for Diesel 10ppm.

<sup>1</sup> A narrow shipping route between Iran and Oman that connects the Persian Gulf to global markets. A significant share of the world's oil exports passes through this strait, so tensions involving Iran or the wider Gulf region can quickly affect global oil prices.

These under-recoveries reflect a substantial gap between the regulated pump price and the actual cost of importing and supplying fuel during the review period.

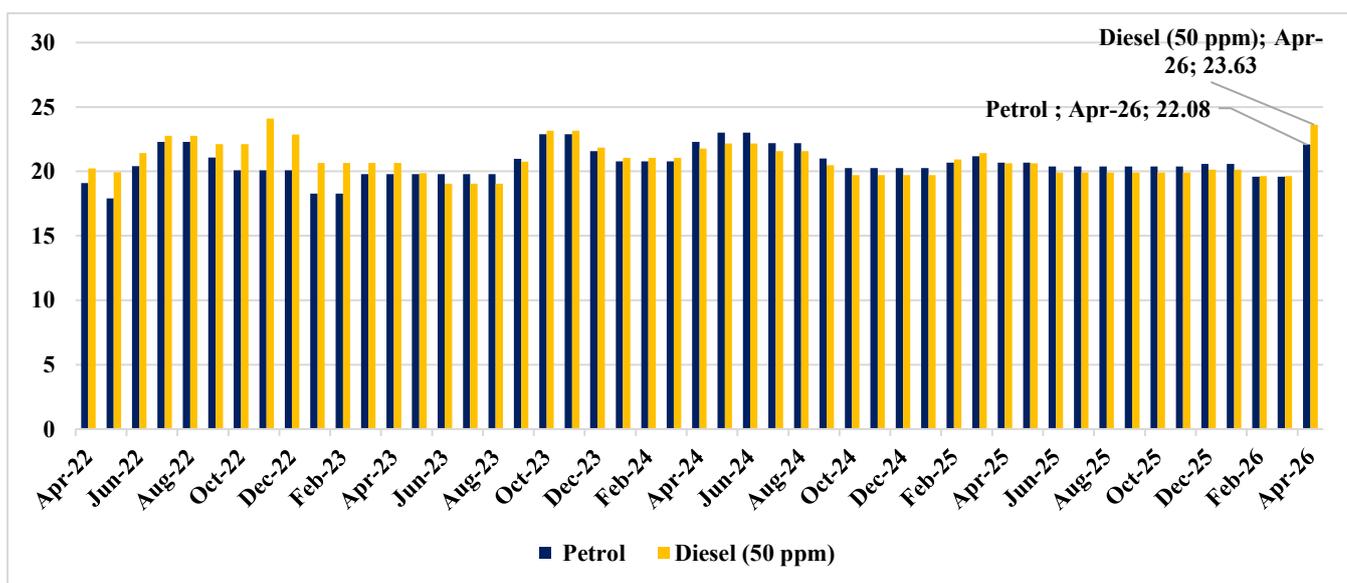
### KEY DOMESTIC UPDATES

To cushion the impact of the sharp increase in global fuel prices, Cabinet approved a temporary reduction in fuel levies of **50% for a period of three months**, from April to June 2026. This measure provides short-term relief to consumers during a period of elevated global oil market volatility.

In addition, the remaining under-recovery will be absorbed by the **National Energy Fund**, amounting to approximately **NS500 million**.

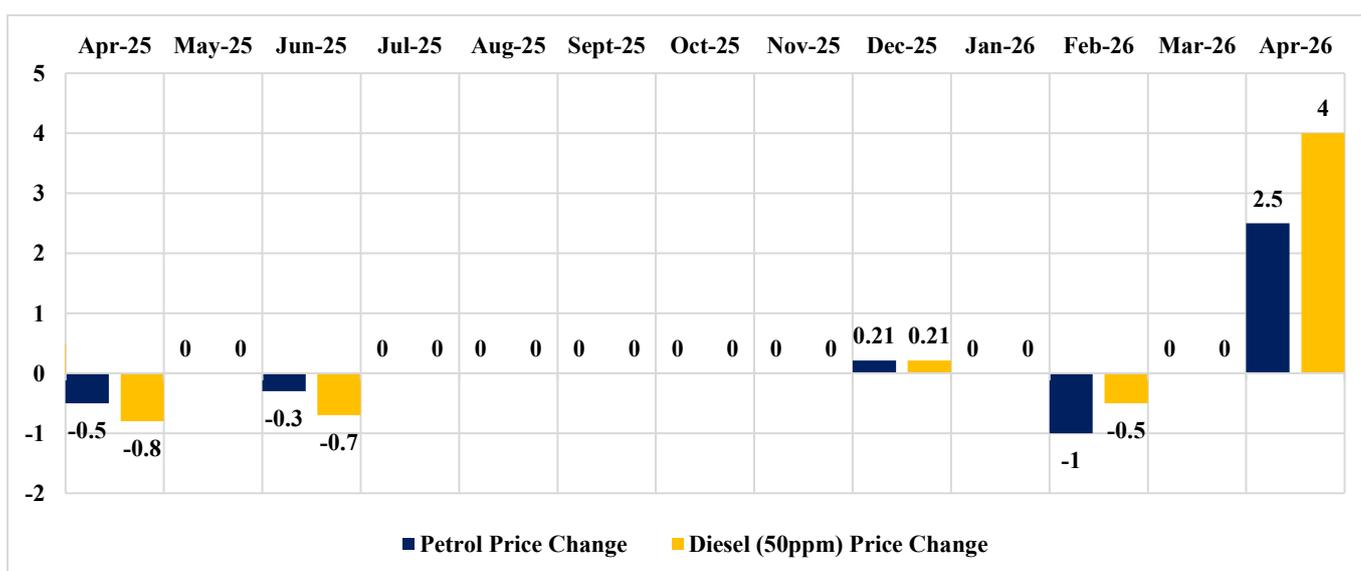
These interventions helped reduce the extent of the fuel price increase that would otherwise have been required under full cost recovery conditions.

**Figure 1: Walvis Bay Fuel Price, April 2022 – April 2026**



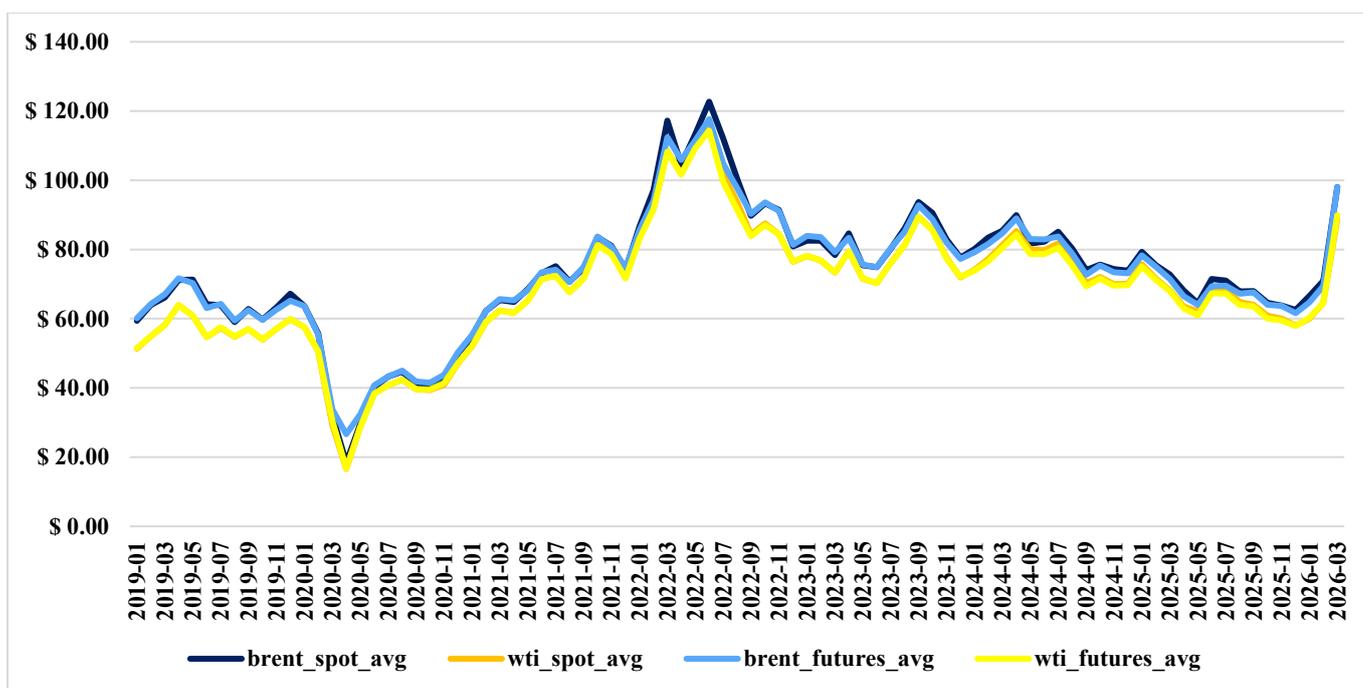
Source: MIME

**Figure 2: Monthly Fuel Price Changes, April 2025 – April 2026**



Source: MIME

Figure 3: Various Average Monthly Oil Price Metrics USD per Barrel 2019-2026\*



Source: U.S. Energy Information Administration (EIA), via FRED & Market Data, via Yahoo Finance

## Outlook

Fuel prices for April 2026 reflect a significant pass-through of global oil market pressures into the domestic pricing framework.

Looking ahead, developments in international oil markets will remain the primary driver of future fuel price adjustments. If geopolitical tensions in the Middle East persist and continue to affect crude oil prices, shipping conditions or export volumes through key transit routes, upward pressure on international product prices may remain.

There is recent precedent for this kind of transmission. Following the outbreak of the Russia-Ukraine conflict in early 2022, average Brent spot prices rose from around **US\$86.51 per barrel in January 2022** to **US\$117.25 in March 2022**, before remaining above **US\$100 per barrel** through much of the first half of the year. Namibia's fuel prices responded rapidly over the months that followed, with petrol rising from **N\$15.65 in January 2022** to **N\$22.28 by July 2022**, while diesel increased from **N\$15.58** to **N\$22.77** over the same period.

A similar, though less extreme, pattern was also visible in early 2024. As Brent spot prices increased from around **US\$80.12 in January 2024** to **US\$89.94 in April 2024**, Namibia's petrol price rose from **N\$20.78 in March 2024** to **N\$23.00 by May 2024**, while diesel moved from **N\$21.05** to **N\$22.17**. This reinforces that even when outright shortages do not materialise, higher crude and freight-related costs can still feed through into local fuel prices relatively quickly.

March 2026 now appears materially stronger again, with Brent spot and futures averages moving to approximately **US\$98 per barrel**, well above February levels. This does not yet place the market at 2022 extremes, but it does move conditions back into a range where Namibia's pricing model is likely to come under renewed pressure if elevated prices persist.

The temporary **three-month fuel levy reduction** will help cushion part of that pressure in the short term, while the current reserve position provides some immediate supply protection. However, if higher oil prices and elevated transport costs persist through the next review periods, additional under-recoveries may still emerge and place renewed upward pressure on domestic fuel prices.

Optimistically, if tensions ease soon and oil markets stabilise, **May 2026 may see only a modest adjustment or even slight relief**. But if the conflict or associated shipping disruptions continue, the recent pattern suggests that **further price increases would become more likely than not**.

At present, the balance of risks remains tilted to the upside, although temporary domestic cushioning measures should help moderate the scale of immediate pass-through.