

Fuel Snapshot

June 2026

Overview

The Ministry of Industries, Mines and Energy has announced that **fuel prices will remain unchanged for June 2026**. The decision follows a fuel price review that recorded an under-recovery on petrol and over-recoveries on both diesel grades, allowing Government to maintain current pump prices despite continued pressure from international energy markets. The Ministry further confirmed that Namibia's fuel supply remains stable, supported by adequate national fuel stocks and continued intervention through the National Energy Fund (NEF) and temporary fuel levy relief measures.

GLOBAL OIL MARKET DYNAMICS

Global oil markets remained influenced by developments in the Middle East during the May review period, although conditions improved relative to the acute disruptions observed during May.

According to the Ministry, the fuel price adjustment was driven by:

- Higher international petrol prices driven by tighter global inventories and stronger seasonal demand.
- Elevated crude oil and refined petroleum product prices.
- Lower freight and shipping costs into the Port of Walvis Bay.
- Exchange-rate movements between the Namibia Dollar and the United States Dollar.
- Continued uncertainty surrounding global oil supply and shipping routes.

International oil prices remained substantially above levels recorded at the beginning of 2026. Brent crude averaged approximately US\$66.60 per barrel in January before rising to US\$70.89 per barrel in February. Following the escalation of tensions involving Iran, prices increased sharply during March and April, with Brent averaging approximately US\$98.00 per barrel and US\$117.30 per barrel respectively. Although prices moderated to approximately US\$109.40 per barrel in May, they remained well above levels observed throughout most of 2025.

Unlike April, where markets were primarily reacting to the immediate risk of supply disruption, the May review period reflected a more measured assessment of the conflict's potential duration and impact. While geopolitical risks remained elevated, lower freight costs and improving logistics conditions provided some relief to international fuel procurement costs.

Nevertheless, uncertainty surrounding the Strait of Hormuz continued to influence market sentiment. The corridor remains one of the world's most important energy transit routes, carrying approximately 20% of global petroleum consumption and around one-third of globally seaborne crude oil trade. Available shipping data indicate that vessel activity through the Strait remained significantly below historical norms during the review period. Total vessel transits declined from 2,658 in February 2026 to 158 in March, before increasing modestly to 228 in April. Although some market participants anticipated a broader recovery in May, shipping activity remained constrained, highlighting the continued impact of security concerns and operational restrictions within the corridor.

The resulting uncertainty continued to support a geopolitical risk premium in global energy markets. As observed during the 2022 Russia-Ukraine conflict, oil markets responded not only to realised supply disruptions but also to concerns regarding future supply availability, freight costs and the reliability of key energy corridors. While the Russia-Ukraine conflict primarily affected

pipeline and regional energy flows into Europe, the current episode is centred on maritime transport through the Persian Gulf. For fuel-importing economies such as Namibia, however, the economic transmission mechanism remains broadly similar.

Namibia imports all refined petroleum products and therefore remains exposed to international oil market volatility, freight costs and broader supply-chain developments. Despite some easing in freight costs during the review period, elevated oil prices and continued geopolitical uncertainty remained key drivers of international fuel pricing.

MINISTRY PRICING MODEL DATA

The Ministry's fuel pricing model incorporates international petroleum product prices, freight costs, exchange-rate movements and other import-related costs to determine the domestic fuel price position.

As of 25 May 2026, the Ministry recorded the following provisional recoveries:

- **Under-Recovery of N\$1.56/litre for Petrol 95**
- **Over-recovery of N\$1.10/litre for Diesel 50ppm**
- **Over-recovery of N\$1.16/litre for Diesel 10ppm**

The differing recovery positions reflect contrasting developments in international fuel markets during the review period. Petrol prices remained under pressure from higher global product prices and stronger seasonal demand, while diesel recoveries benefited from lower freight costs and a moderation in some import-related expenses.

Despite the petrol under-recovery, Government elected to maintain fuel prices for June 2026. This was supported by the stronger recovery position recorded on both diesel grades, as well as continued intervention through the National Energy Fund (NEF).

According to the Ministry, approximately **N\$47.2 million** will be absorbed through the NEF to offset petrol under-recoveries during the period. This represents a substantially lower fiscal intervention than the support required during the peak of the recent oil market shock, suggesting some moderation in the pressure facing the domestic fuel pricing framework.

Temporary fuel levy relief measures also remain in effect. The Ministry noted that the temporary levy reduction and suspension continue to lower domestic fuel prices by approximately **N\$2.03 per litre**, helping to cushion households and businesses from the full pass-through of elevated international fuel costs.

Taken together, diesel over-recoveries, lower freight costs, continued NEF support and temporary levy relief measures enabled the Ministry to maintain domestic fuel prices despite ongoing pressure from international petrol markets. The impact of these interventions becomes more apparent when compared with regional fuel price developments, where several neighbouring countries continue to reflect a larger pass-through of recent international oil market pressures.

REGIONAL CONTEXT

The Ministry's regional comparison shows current fuel prices for selected SADC member states as at 27 May 2026, alongside Namibia's decision to maintain fuel prices for June 2026.

Country	Petrol (N\$/Litre)	Diesel (N\$/Litre)
Namibia	23.48	28.26
Botswana	24.63	30.85
South Africa	26.63	31.17
Zambia	24.07	30.14
Zimbabwe	34.73	34.89
Lesotho	25.90	34.75
Eswatini	25.27	31.60

Source: MIME

Namibia's fuel prices remain among the lower prices in the regional comparison. This reflects continued interventions through the National Energy Fund to cushion consumers against the full impact of international oil price shocks.

For June 2026, Government is estimated to absorb the petrol under-recovery amounting to N\$47.2 million. This support, together with the decision to maintain fuel prices, has helped moderate the immediate domestic pass-through of international fuel market pressures.

Outlook

Oil markets are expected to remain sensitive to developments in the Middle East over the near term. While diplomatic discussions and ceasefire negotiations have introduced some cautious optimism, no formal agreement had been finalised at the time of writing.

If geopolitical conditions continue to stabilise and shipping activity through the Strait of Hormuz gradually normalises, pressure on international fuel markets could ease in the coming months. However, oil prices remain well above levels observed at the start of 2026, and geopolitical risk premiums continue to influence global energy markets.

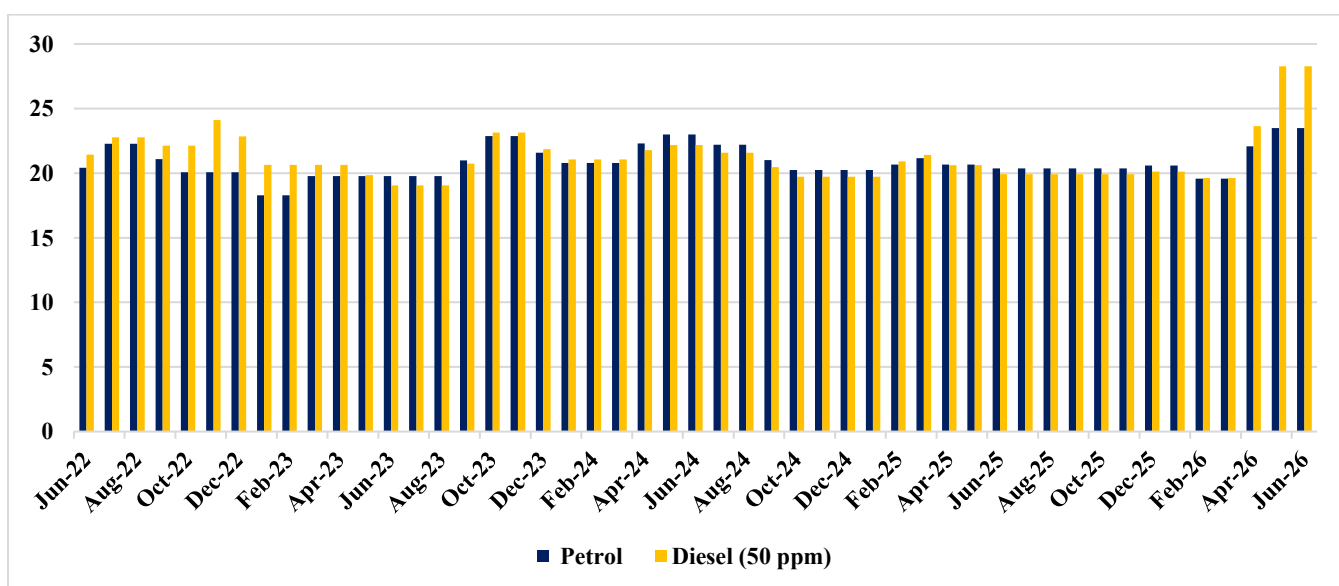
A notable development during the June review period was the return of both diesel grades to over-recovery territory. This suggests that some of the pricing pressure experienced during the peak of the recent oil market shock has begun to moderate, supported by lower freight costs and improved import cost dynamics. Should these trends persist, the over-recoveries recorded on diesel could provide additional flexibility within the fuel pricing framework and help offset pressure arising from petrol under-recoveries.

The experience of the 2022 Russia-Ukraine conflict demonstrates that energy markets can remain affected by geopolitical events long after the initial disruption. Freight costs, insurance premiums and supply-chain adjustments often take time to normalise, even after immediate risks begin to recede.

Domestically, continued support through the National Energy Fund, temporary levy relief measures and adequate national fuel stocks provide short-term stability. While risks remain dependent on developments in global oil markets, the return of diesel over-recoveries and the decision to maintain fuel prices suggest a more balanced outlook than was evident during April and May.

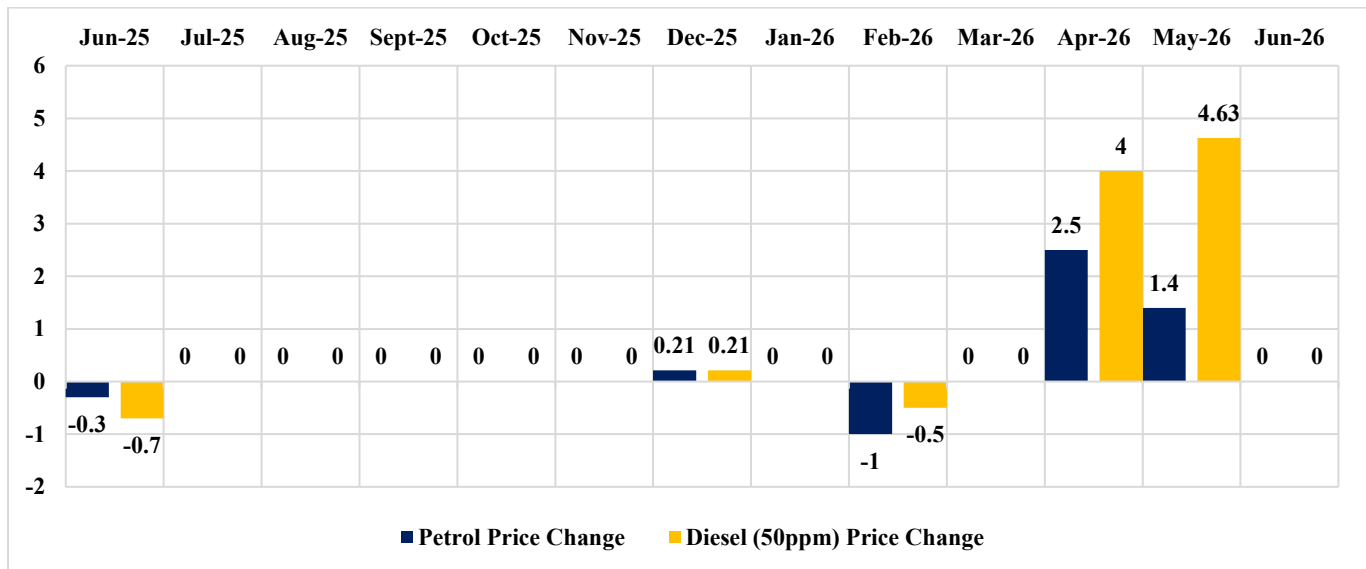
Figures & Graphs

Figure 1: Walvis Bay Fuel Price, June 2022 – June 2026



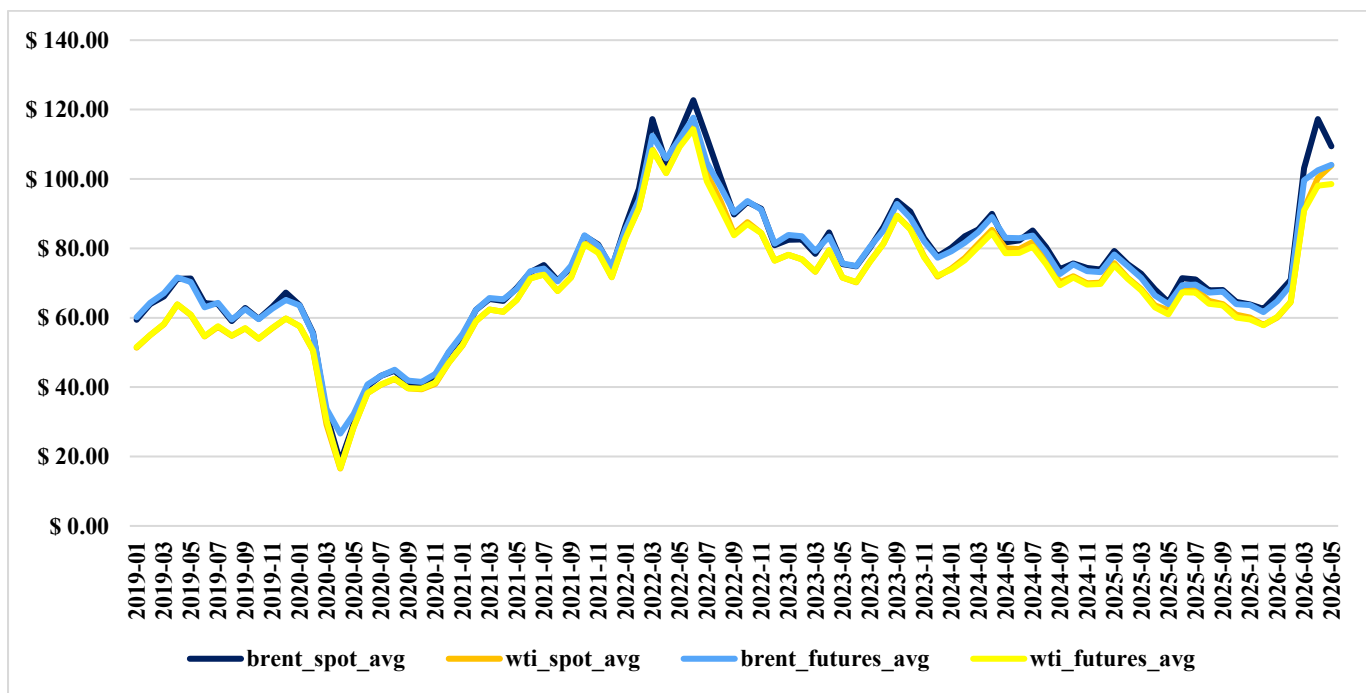
Source: MIME

Figure 2: Monthly Fuel Price Changes, June 2025 – June 2026



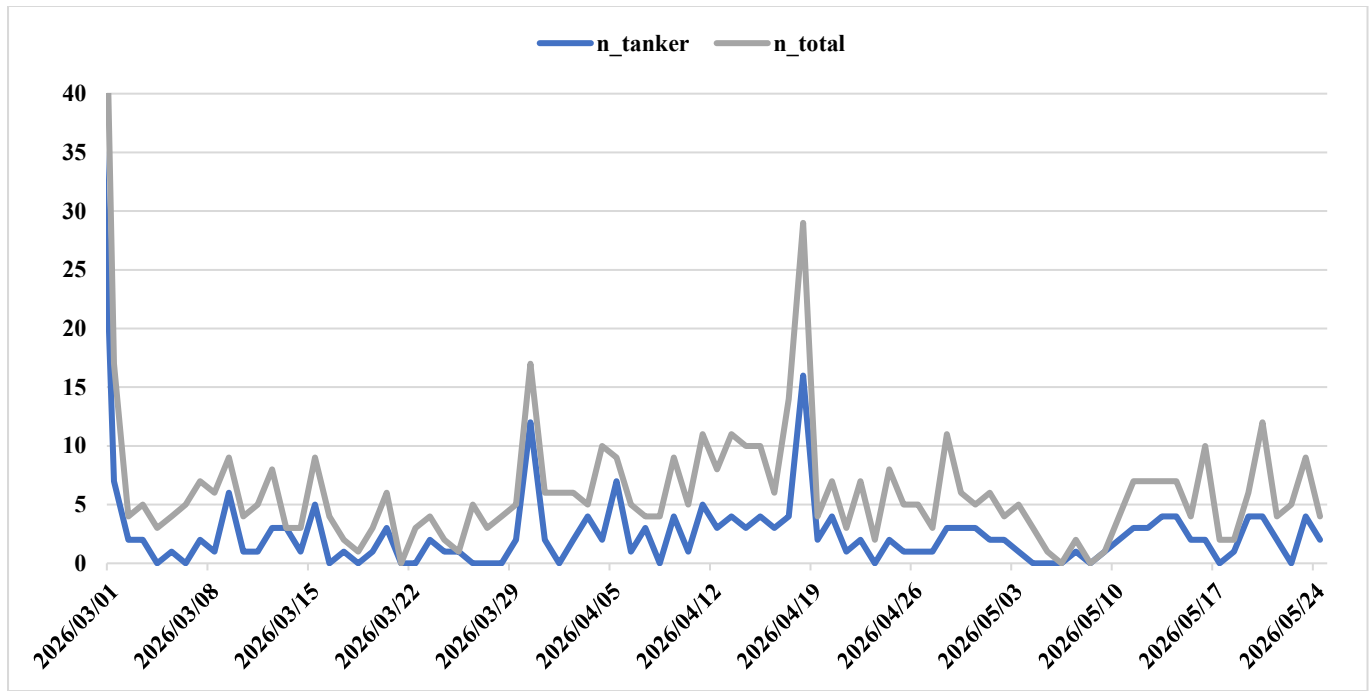
Source: MIMÉ

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

Figure 4: Daily Vessel Traffic (Tanker and All) through the Strait of Hormuz 1st March 2026 – 24th May 2026



Source: IMF PortWatch