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Fuel Snapshot

September 2026

Overview

The Ministry of Industries, Mines and Energy has announced that, **as from Wednesday, 2 September 2026, fuel pump prices will increase by N$0.60/litre for Petrol 95 and by N$1.60/litre both diesel grades**. The adjustment reflects higher international petroleum product prices, elevated tanker freight costs and under-recoveries across all three fuel products, partly offset by a stronger Namibia Dollar. The adjustment also incorporates a **N$0.30/litre increase in the Road User Charge Levy** to fund national priority feeder road projects.

GLOBAL OIL MARKET DYNAMICS

Global oil markets remained volatile during the August review period as continued tensions in the Middle East and disruptions to crude oil flows through the Strait of Hormuz maintained pressure on global supply and shipping conditions. Although Brent crude prices eased towards the end of the review period on renewed expectations of a possible reopening of the Strait, physical oil flows and vessel movements remained constrained.

The broader crude oil data indicate that prices remained below the peaks recorded earlier in the conflict, but increased again during August. Average Brent spot prices rose from **US$83.76 per barrel in July to US$91.40 per barrel in August**, an increase of approximately **9.1%**. This remains below the **US$117.29 per barrel** average recorded at the April peak, but indicates that the relatively contained conditions observed during June and July did not translate into a continuous downward price trend.

Refined petroleum products experienced stronger increases than the underlying Brent benchmark. According to the Ministry's calculations for 1 to 25 August 2026:

- Petrol 95 averaged **US$122.947 per barrel**, up **5.67%** from July.
- Diesel 50ppm averaged **US$161.708 per barrel**, up **11.29%**.
- Diesel 10ppm averaged **US$162.606 per barrel**, up **11.42%**.

Tanker freight rates also remained elevated as vessel availability tightened, voyage distances increased and shipowners continued to price higher operating risks into routes affected by the Middle East conflict. Consequently, Namibia faced renewed pressure from both the international product price and freight components of imported fuel costs.

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.

The Namibia Dollar provided some offset to these pressures. From 1 to 25 August, the average exchange rate strengthened to **N$16.1974 per US Dollar**, from **N$16.4627** in July, representing an appreciation of approximately **1.61%**. The stronger currency reduced the Namibia Dollar cost of imported petroleum products relative to what would otherwise have prevailed.

Nevertheless, higher international product and freight costs outweighed the exchange-rate benefit, resulting in under-recoveries across all three products:

- **Petrol 95: under-recovery of 68.032 cents per litre.**
- **Diesel 50ppm: under-recovery of 215.321 cents per litre.**
- **Diesel 10ppm: under-recovery of 214.502 cents per litre.**

The considerably larger diesel under-recoveries are consistent with the stronger increases in international diesel product prices during the review period.

Accordingly, Petrol 95 will increase by **N$0.60/litre**, while both diesel grades will increase by **N$1.60/litre**. As shown in **Figure 1**, the September adjustment follows the N$2.00/litre increase across all three products in August, extending the reversal of part of the fuel price relief recorded in July.

Following the adjustment, Walvis Bay pump prices will stand at **N$25.08/litre for Petrol 95, N$27.86/litre for Diesel 50ppm and N$27.96/litre for Diesel 10ppm**, with prices elsewhere adjusted accordingly.

ROAD USER CHARGE LEVY

The September adjustment also incorporates a **N$0.30/litre increase in the Road User Charge Levy**, from **N$2.43 to N$2.73 per litre**. According to the Ministry, the adjustment is required to fund the implementation of national priority feeder road projects.

The September increase therefore reflects both external and domestic pricing factors. International product prices and freight costs generated under-recoveries during the review period, while the higher Road User Charge Levy adds a separate policy-related component to the pump price adjustment.

Outlook

The September fuel price review illustrates that the greater stability observed following the April oil price shock does not imply the absence of renewed price pressure. As shown in **Figure 3**, average Brent prices remain below their April peak, but the increase from **US$83.76 per barrel in July to US$91.40 in August** indicates that markets remain responsive to developments surrounding the Strait of Hormuz.

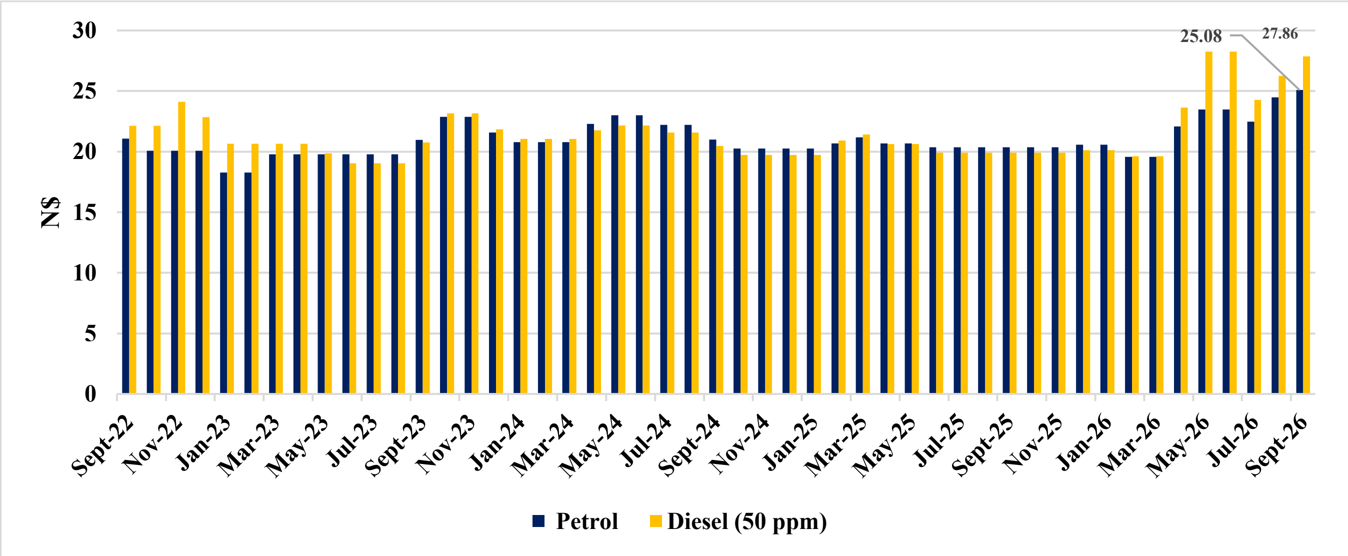
As the conflict persists, the broader oil supply chain is likely to continue adapting to the associated risks. Rather than continuously treating the situation as a new acute shock or sustaining oil prices at the levels observed during the initial disruption, producers, traders, shipping companies and importing economies are likely to develop mechanisms for managing recurring supply and logistics risks. This could contain volatility over time, although periods of renewed pressure remain possible.

For Namibia, **Figure 1 & 2** increasingly reflects this transition. Following the substantial increases earlier in the year, the July reduction and subsequent August and September increases show domestic prices responding to a combination of changing international costs and the gradual withdrawal of temporary cushioning measures. In September, the stronger Namibia Dollar provided some protection, but was insufficient to offset higher international product prices and freight costs.

The near-term outlook therefore remains dependent on **international refined-product prices, freight costs and the Namibia Dollar/US Dollar exchange rate**. Continued adaptation across the oil supply chain could help contain fuel inflation as the conflict persists, although the September review demonstrates that the path towards more stable domestic fuel prices is unlikely to be linear.

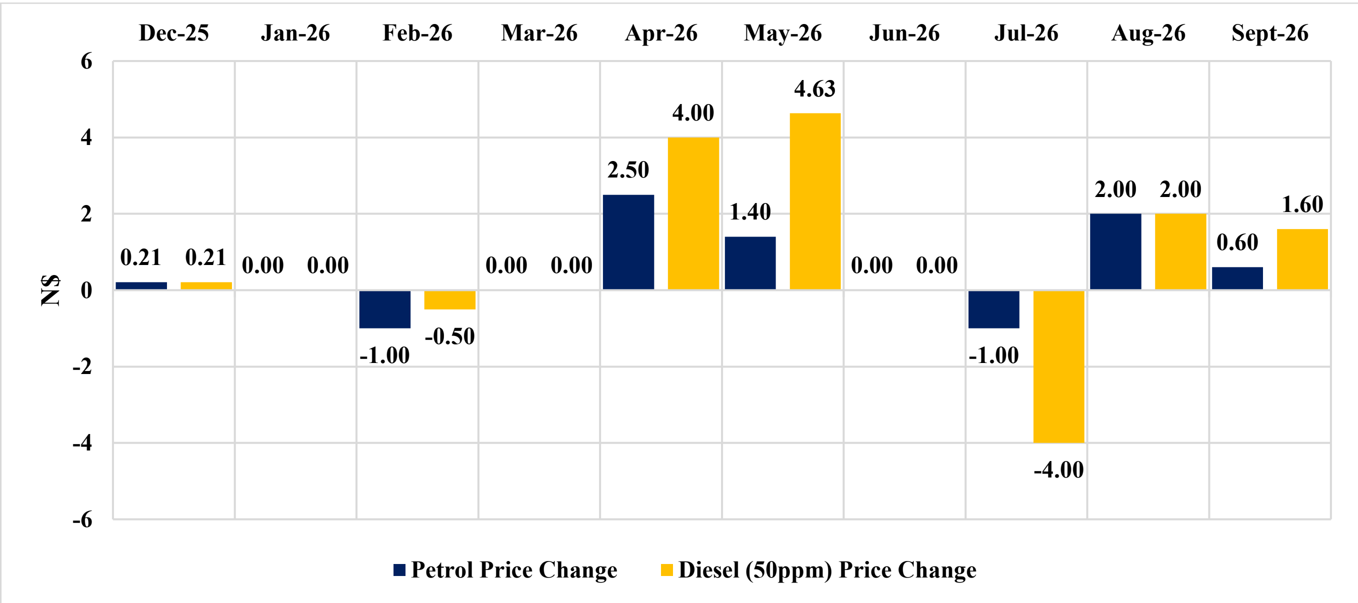
Figures & Graphs

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



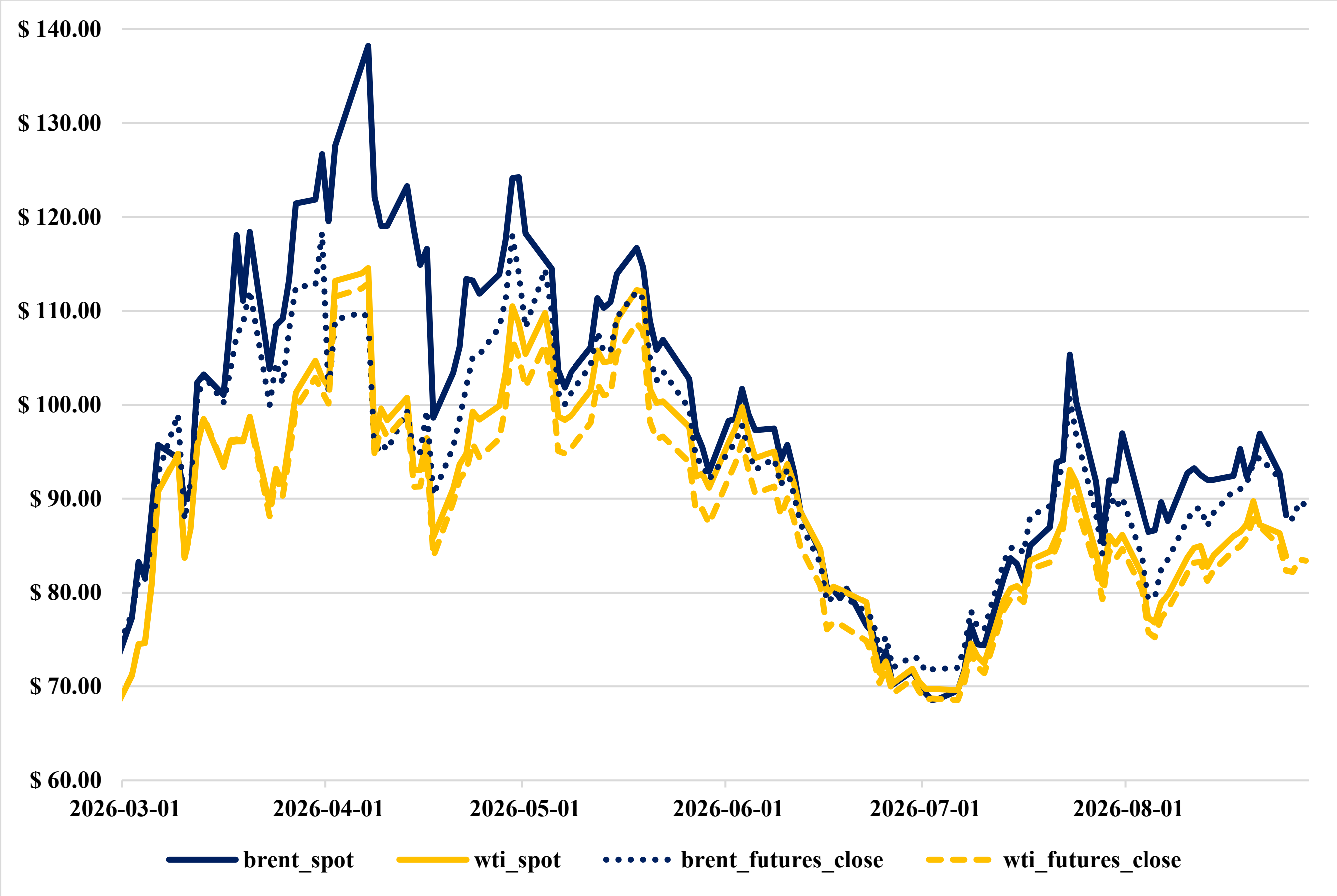
Source: MIME

Figure 2: Monthly Fuel Price Changes, December 2025 – September 2026



Source: MIME

Figure 3: Various Average Monthly Oil Price Metrics USD per Barrel March – August 2026



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