

# Fuel Snapshot

October 2026

## Overview

The Ministry of Industries, Mines and Energy has announced that, effective **Wednesday, 7 October 2026, Petrol 95 will increase by N\$1.50/litre, while both diesel grades will remain unchanged**. The adjustment comes amid renewed pressure from higher international petroleum product prices, elevated shipping costs and substantial under-recoveries across all three fuel products.

Despite these pressures, Government has opted to limit the immediate pass-through to consumers, particularly for diesel. The October review therefore reflects both renewed external cost pressures and the continued use of domestic cushioning measures, alongside a broader shift towards reducing petroleum procurement costs through the Bulk Petroleum Import Coordination mechanism.

## GLOBAL OIL MARKET DYNAMICS

Global oil markets experienced renewed upward pressure during the September review period as escalating geopolitical tensions in the Middle East, attacks on oil infrastructure and constrained flows through the Strait of Hormuz continued to affect crude and refined-product availability. The Ministry also identified higher petroleum shipping costs and diesel export restrictions imposed by some major countries as additional sources of pressure.

As shown in **Figure 3**, the broader crude oil market also moved higher during September. Average Brent spot prices increased from approximately **US\$91.08 per barrel in August to US\$114.08 per barrel in September**, an increase of approximately **25.3%**. Brent futures increased more moderately, from approximately **US\$88.08 to US\$102.26 per barrel** over the same period. The stronger increase in Brent spot prices relative to futures is consistent with greater near-term pressure in the physical market during September.

International refined-product prices also increased sharply. According to the Ministry's calculations for 1 to 25 September:

- Petrol 95 averaged **US\$148.364 per barrel**, up **19.27%** from August.
- Diesel 50ppm averaged **US\$182.413 per barrel**, up **13.60%**.
- Diesel 10ppm averaged **US\$183.311 per barrel**, up **13.52%**.

The September data therefore indicate that the relative stability observed during the middle of the year remains vulnerable to renewed geopolitical and supply-side pressures. Constrained petroleum flows, higher shipping costs and restrictions affecting diesel supply have again raised the landed cost of fuel for net-importing economies such as Namibia.

## 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 in determining the domestic fuel price position.

Exchange-rate movements added modestly to the cost pressure during the latest review period. As shown in **Figure 4**, the Namibia Dollar weakened against the US Dollar during the Ministry's 1 to 25 September review period, consistent with the Ministry's assessment. However, this movement was relatively modest compared with the considerably larger increases in

international petroleum product prices and shipping costs, which remained the primary sources of pressure on the October fuel-price position.

Against the combined international product, freight and exchange-rate pressures, substantial under-recoveries were recorded across all three products:

- **Petrol 95: under-recovery of 379.643 cents per litre**
- **Diesel 50ppm: under-recovery of 358.413 cents per litre**
- **Diesel 10ppm: under-recovery of 357.599 cents per litre**

Despite these under-recoveries, Petrol 95 will increase by only **N\$1.50/litre**, while both diesel grades will remain unchanged. As shown in **Figure 2**, October therefore extends the upward movement in petrol prices following the August and September increases, while interrupting the recent upward adjustment in diesel prices.

## REGIONAL CONTEXT

Fuel prices across the region continue to reflect differences in domestic pricing mechanisms, taxation and the degree to which governments absorb or pass through international fuel costs.

According to the Ministry's regional comparison, Namibia's October Petrol 95 price of **N\$26.58/litre** is below South Africa's **N\$26.92/litre** and Zimbabwe's **N\$33.90 /litre**, but above Botswana, Zambia, Lesotho and Eswatini. Namibia's Diesel 50ppm price of **N\$27.86/litre** remains below prices in South Africa, Zimbabwe, Lesotho and Eswatini, although above Botswana and Zambia.

The comparison is particularly relevant in October because Namibia has not passed the full recorded under-recoveries through to consumers. The domestic pricing outcome therefore continues to reflect both international cost developments and policy decisions aimed at limiting the immediate effect on pump prices.

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## CONTINUED GOVERNMENT INTERVENTION

The October review provides a clearer indication of how Namibia's cushioning framework has evolved since the initial Middle East oil shock. Rather than relying predominantly on broad levy reductions, Government is now combining support through the **National Energy Fund (NEF)** with reforms aimed at lowering the underlying cost of importing petroleum products.

This is particularly evident in October. Despite under-recoveries of approximately **N\$3.80/litre for petrol and N\$3.58/litre for both diesel grades**, the pump price adjustment is limited to **N\$1.50/litre for petrol**, while diesel prices remain unchanged. The difference between the underlying recovery position and the final adjustment illustrates the continued role of cushioning in limiting the immediate transmission of external fuel costs to consumers.

At the same time, the Bulk Petroleum Import Coordination mechanism is increasingly shifting the intervention towards reducing procurement costs themselves. Emergency arrangements introduced in July allowed fuel to be supplied at **BFP Flat**, eliminating premiums above the Basic Fuel Price. The Ministry estimates that avoiding these premiums between July and October prevented approximately **N\$400 million to N\$700 million** in additional economy-wide fuel costs.

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## BULK PETROLEUM IMPORT COORDINATION: How The Underlying Procurement Framework Is Changing

The Bulk Petroleum Import Coordination mechanism is moving from the initial emergency arrangement towards competitive procurement. **For the November 2026 to January 2027 supply period**, TotalEnergies Marketing Namibia and its international trading partner, TOTSA TotalEnergies Trading SA, were selected at a weighted net discount of 63.85 cents per litre relative to the BFP. The Ministry estimates that this could generate approximately N\$220.5 million in economy-wide savings.

Importantly, the discount does not translate directly into an equivalent reduction at the pump. The BFP itself remains sensitive to international product prices, exchange-rate movements and shipping costs, while the final regulated fuel price also incorporates domestic levies, taxes, margins and other regulated costs. The discount therefore lowers one component of the overall price structure, reducing the procurement cost relative to what Namibia would otherwise have paid under prevailing conditions.

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## Outlook

The October fuel price review broadly reflects the risks identified during the previous review period. The September outlook suggested further domestic fuel price pressure unless international oil prices improved materially or cushioning could be maintained. Instead, renewed international pressure produced sizeable under-recoveries, although only part of this was passed through to consumers.

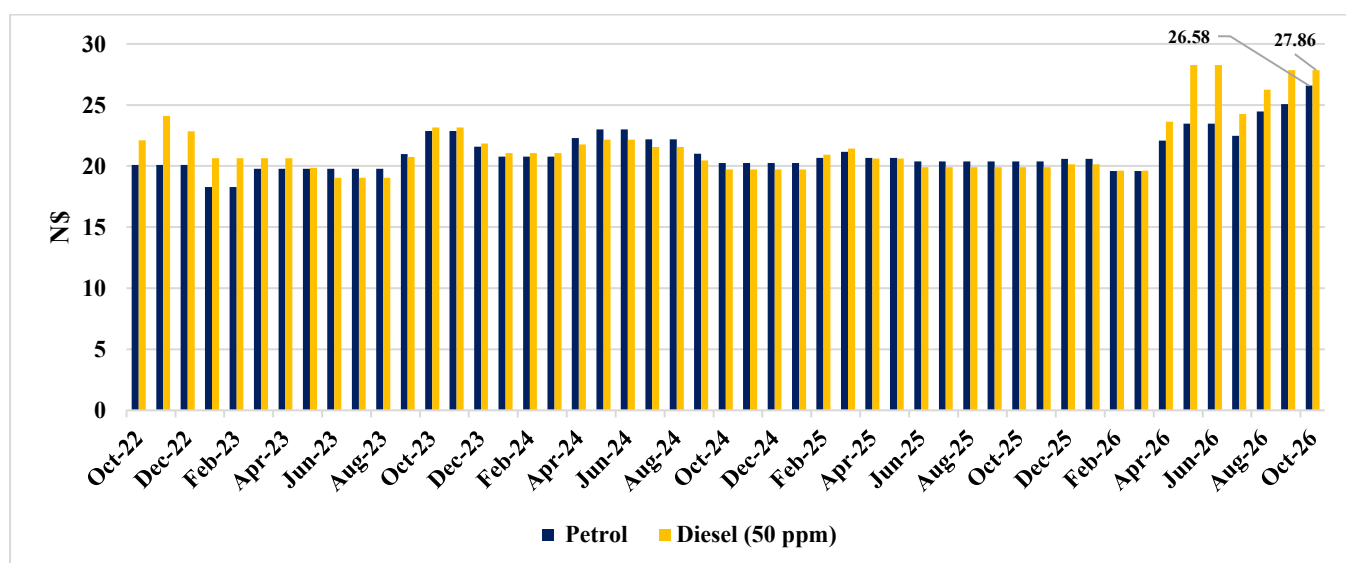
International conditions remain highly volatile. As shown in **Figure 3**, September marked a renewed increase in oil prices, followed by some retreat from the month's highs rather than a clear easing trend. The widening divergence between Brent and WTI also reflects Brent's greater exposure to Middle Eastern and seaborne supply disruptions. While flows through the Strait of Hormuz have improved, Gulf production remains constrained and OPEC+ has opted to keep November production targets unchanged, leaving the physical market relatively tight.

The policy response is consequently becoming increasingly important. Initial levy reductions and direct cushioning helped absorb the immediate shock but were never likely to be sustainable indefinitely. Coordinated procurement and negotiated discounts through the Bulk Petroleum Import Coordination mechanism increasingly shift the response towards reducing import costs before they reach the pump. If institutionalised, this could provide a more durable framework for managing future global fuel shocks while preserving direct cushioning for periods when it is most needed.

The near-term direction of fuel prices therefore remains uncertain. Improving supply flows and adaptation across global supply chains provide some counterweight to continued geopolitical and physical-market risks, while Namibia's evolving procurement framework can help moderate their domestic transmission. Persistent geopolitical tension therefore does not necessarily imply continuously rising fuel prices, but the conditions for sustained price relief have not yet clearly emerged.

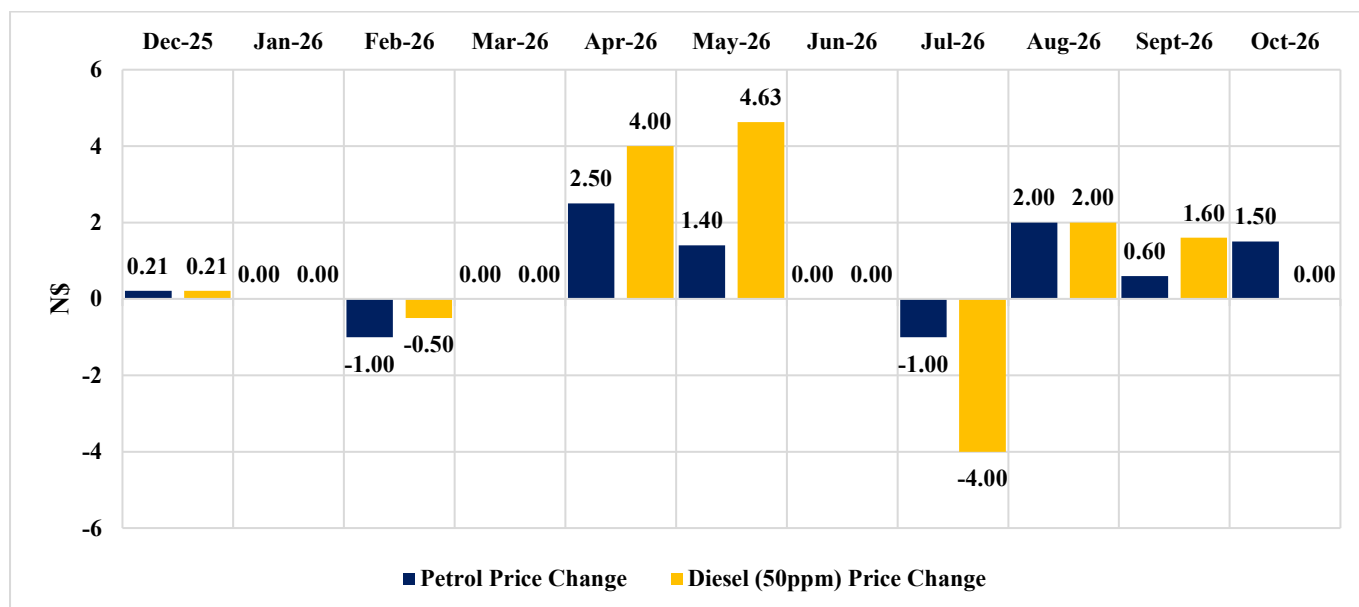
## Figures & Graphs

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



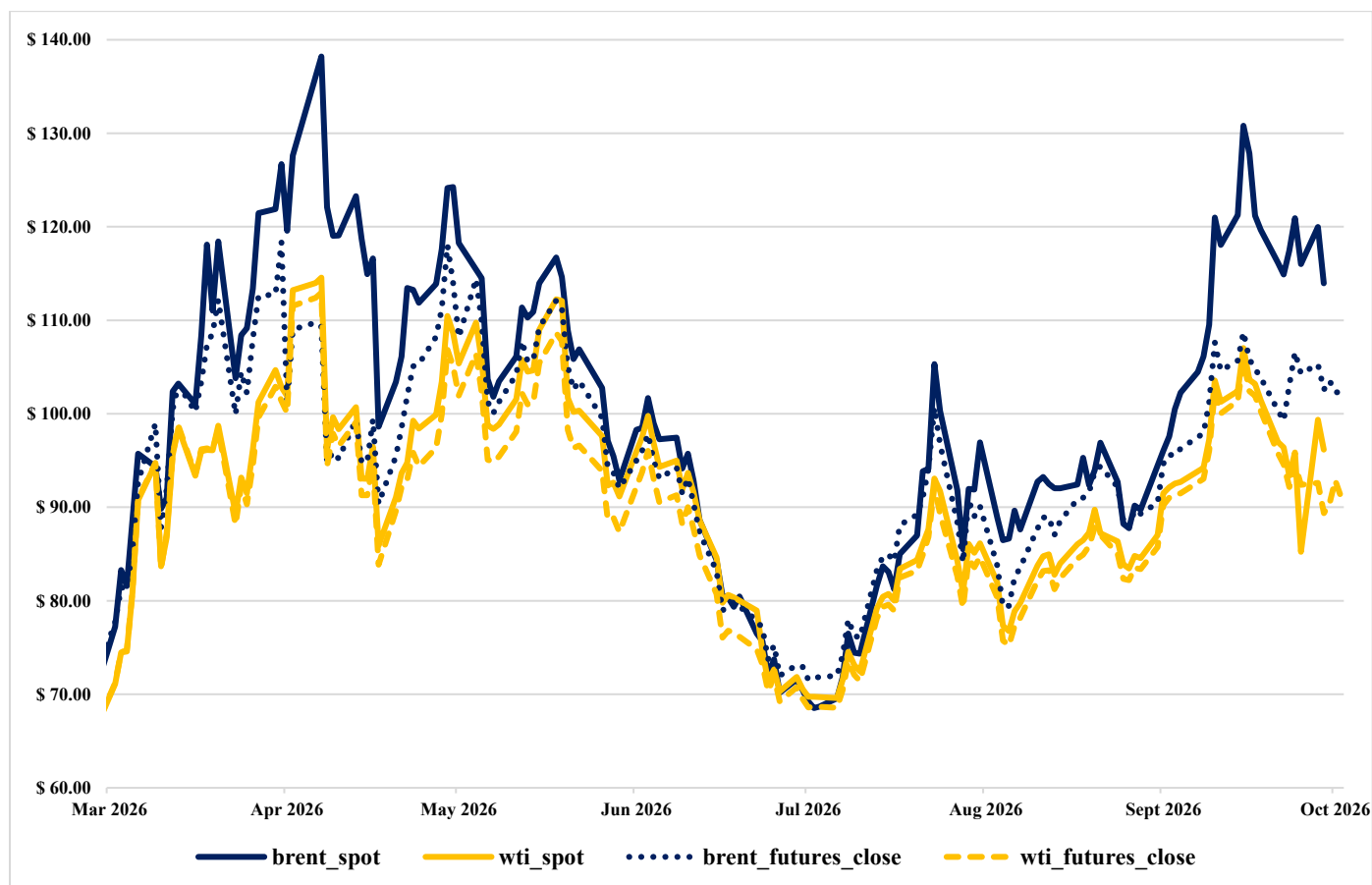
Source: MIME

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



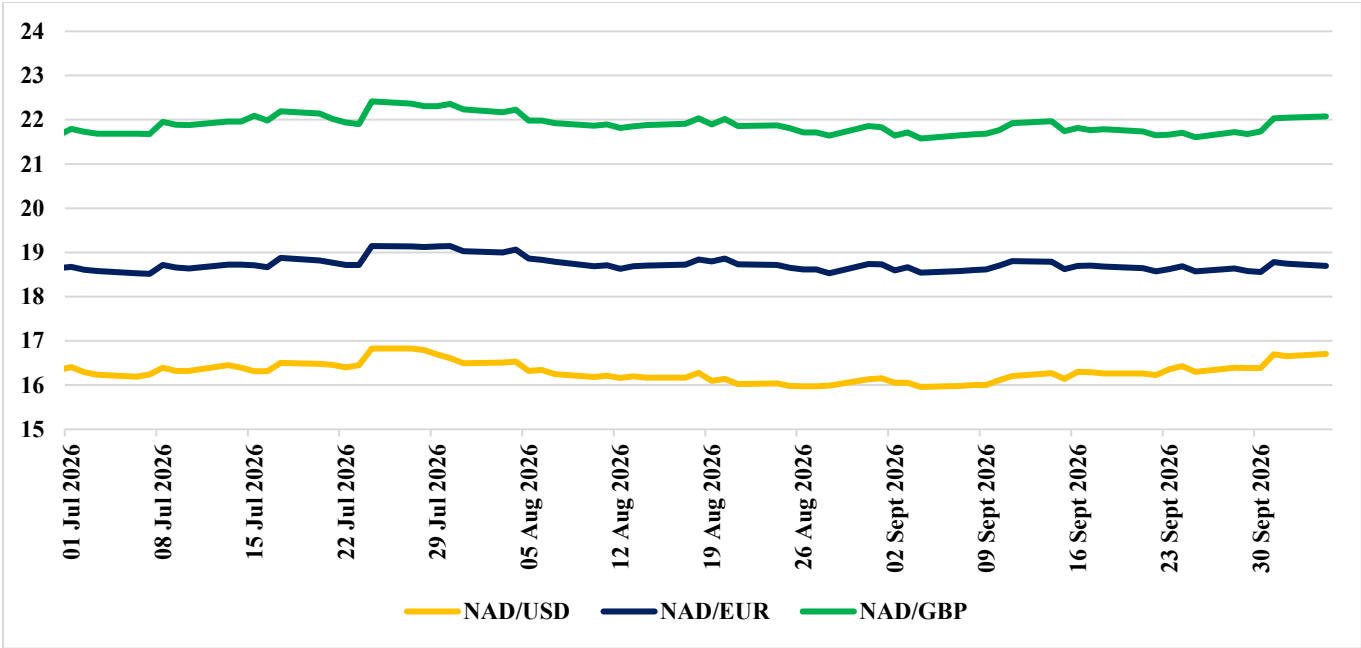
Source: MIME

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



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

Figure 4: Namibia Dollar Performance Against the US Dollar, British Pound and Euro, 1 July – 2 October 2026



Source: HEI Research