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Fuel Snapshot

November 2026

Overview

The Ministry of Industries, Mines and Energy has announced that, effective **Wednesday, 4 November 2026, Petrol 95 will increase by N$2/litre, while both diesel grades will increase by N$3/litre**. The adjustments will bring Walvis Bay pump prices to N$28.58 per litre for Petrol 95, N$30.86 for Diesel 50ppm and N$30.96 for Diesel 10ppm. The increases follow continued pressure on Namibia's fuel import costs, despite a modest decline in international refined petroleum product prices during October.

Higher freight costs and a weaker Namibia Dollar outweighed the decline in international product prices, leaving substantial under-recoveries despite savings from coordinated petroleum procurement. With the National Energy Fund (NEF) facing mounting financial pressure, Government has increased pump prices while continuing to absorb part of the additional cost.

GLOBAL OIL MARKET DYNAMICS

Global petroleum markets remained under pressure during October as the conflict in the Middle East continued to disrupt international supply chains, particularly around the Strait of Hormuz. Since the initial escalation in March 2026, the disruption has extended beyond concerns over crude availability to affect shipping routes, tanker capacity, freight costs and the reliability of petroleum deliveries.

The persistence of the disruption is evident in shipping activity recorded through the International Monetary Fund's PortWatch platform. As shown in **Figure 5**, average daily tanker arrivals declined from approximately 43.46 in February to 0.94 in March 2026, representing a reduction of nearly 98% in recorded activity. Although arrivals recovered intermittently, they remained substantially below pre-March levels, averaging just 0.56 per day in October, based on observations through 25 October.[1]

International refined petroleum product prices nevertheless moderated during October. According to the Ministry's calculations for the review period from 1 to 26 October, Petrol 95 averaged US$143.92 per barrel, declining by 3.18% from the preceding review. Diesel 50ppm and Diesel 10ppm averaged US$173.96 and US$174.85 per barrel, respectively, representing declines of 4.21% and 4.19%.

However, the reduction in refined-product prices did not translate into lower landed fuel costs. The Ministry reported that continued disruptions to shipping routes, attacks on vessels and reduced tanker availability contributed to an increase of approximately 40% in the freight index, while demurrage costs rose by approximately 64% during October. Combined shipping and demurrage costs increased from approximately 281 cents to 402 cents per litre for petrol and from 211 cents to 302 cents per litre for diesel, representing increases of approximately 43% for both products.

For Namibia, the October review shows how the cost of transporting petroleum has become a major source of pressure alongside the price of the product itself. Despite cheaper refined products, higher freight and demurrage charges increased the overall cost of importing fuel, limiting the relief that would otherwise have followed from lower international petroleum prices.

[1] *IMF PortWatch relies on Automatic Identification System (AIS) vessel-tracking data. The IMF cautions that GPS jamming, AIS spoofing and vessels operating without transmitting AIS signals may affect recorded movements, particularly during the ongoing conflict. Consequently, observed tanker arrivals should not be interpreted as a complete measure of actual vessel traffic or petroleum volumes.*

DOMESTIC FUEL PRICING

During the October fuel review period, the Namibia Dollar averaged approximately N$16.55 against the US Dollar, compared with N$16.215 in September. The depreciation of approximately 2.07% increased the local currency cost of petroleum imports, adding to the pressure from higher freight and demurrage charges. As illustrated in **Figure 4**, exchange-rate movements therefore contributed to the increase in Namibia's fuel import costs.

Together, these developments pushed the Basic Fuel Price (BFP) up by approximately 5.74% for Petrol 95 and 2.44% for both diesel grades, despite lower international refined-product prices. Consequently, the Ministry recorded the following provisional under-recoveries before accounting for coordinated procurement discounts:

- **Petrol 95:** 351.672 cents per litre
- **Diesel 50ppm:** 413.537 cents per litre
- **Diesel 10ppm:** 412.928 cents per litre

Following the application of procurement discounts, the under-recoveries declined to:

- **Petrol 95: 280.672 cents per litre (71 cents lower than provisional)**
- **Diesel 50ppm: 352.537 cents per litre (61 cents lower than provisional)**
- **Diesel 10ppm: 351.928 cents per litre (61 Cents lower than provisional)**

The discounts reduced the initial under-recoveries by approximately 20% for petrol and 15% for diesel. However, the remaining shortfalls were still substantial, prompting further domestic fuel-price adjustments. As shown in **Figure 2**, the November review extends the upward price adjustments recorded since August, with diesel experiencing the larger increase of N$3.00 per litre compared with N$2.00 for petrol.

FUEL PRICE STABILISATION

The National Energy Fund's financial position has weakened considerably as Government continues to cushion consumers against higher fuel import costs. After recording an over-recovery of approximately N$87.6 million in September, the Fund faced an estimated N$384 million under-recovery in October. Its equalisation reserve now stands at approximately N$416 million, nearly 48% below the N$800 million buffer previously established to cover at least three months of under-recoveries. With the remaining reserve only marginally exceeding October's estimated shortfall, Government has considerably less room to absorb another prolonged period of elevated import costs.

The November adjustments therefore represent a partial transfer of these costs to consumers while maintaining some degree of cushioning. Even after the announced increases, the Ministry estimates that the NEF will continue to absorb approximately 81 cents per litre for petrol and 52–53 cents per litre for diesel. Although this intervention limits the immediate impact on consumers, maintaining similar levels of support over subsequent months would place additional pressure on the Fund, particularly if international shipping costs remain elevated.

Coordinated petroleum procurement has provided some relief by reducing the underlying cost of importing fuel. The current supply arrangement with TotalEnergies Marketing Namibia provides discounts of approximately 71 cents per litre for petrol and 61 cents per litre for diesel. Based on estimated monthly consumption of approximately 100 million litres, comprising roughly 30% petrol and 70% diesel, the Ministry estimates that these discounts could reduce Namibia's monthly petroleum import bill by approximately N$64 million. While the savings have helped contain under-recoveries, they remain insufficient to offset the broader increase in import costs.

Domestic distribution costs will also contribute to fuel-price differences across the country. The Ministry has announced an interim 15% increase in road transport rates pending a review of the Ready Reckoner, which determines fuel transportation costs across pricing zones. The adjustment applies to deliveries from inland depots to towns and service stations, with an estimated additional impact of 1–11 cents per litre in non-NEF-subsidised areas. Transport rates from Walvis Bay to inland depots remain unchanged.

Outlook

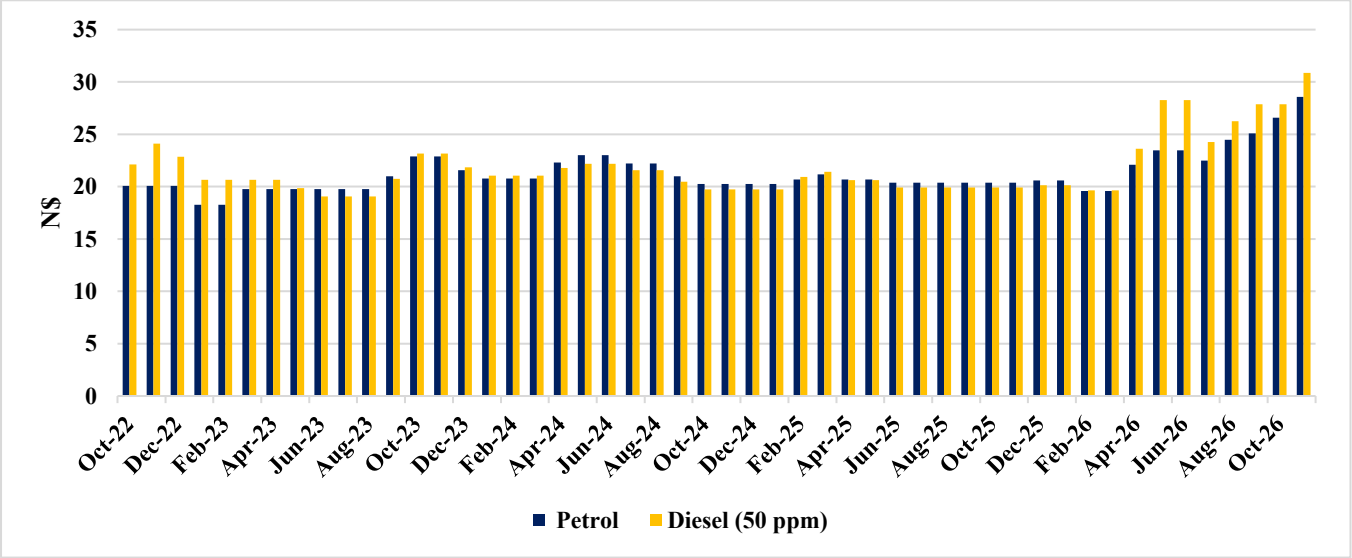
Eight months after the initial escalation in the Middle East, Namibia continues to contend with a supply disruption that has extended well beyond international oil prices. During October, refined petroleum product prices declined, yet the cost of importing fuel increased as higher freight charges and a weaker Namibia Dollar outweighed those gains. With recorded tanker arrivals still substantially below pre-March levels and shipping costs remaining elevated, there is little evidence of a sustained recovery in the affected petroleum supply chains.

The pressure is also becoming more difficult to absorb domestically. Coordinated procurement has helped reduce import costs, but the NEF's declining reserves leave Government with less flexibility to cushion future increases. The November adjustments suggest that a greater share of these costs may have to be passed on to consumers if international conditions do not improve. This raises the prospect of further adjustments should the current pressures persist, particularly for diesel, where the latest under-recoveries have been more pronounced.

Looking towards December, continued geopolitical uncertainty and elevated shipping costs leave limited room for substantial fuel-price reductions. Even if international petroleum prices ease, the benefits may be offset by freight costs or unfavourable exchange-rate movements. With the disruption approaching its ninth month, meaningful and sustained relief may only become possible in 2027, depending on how quickly shipping activity normalises, import costs decline and pressure on the NEF subsides.

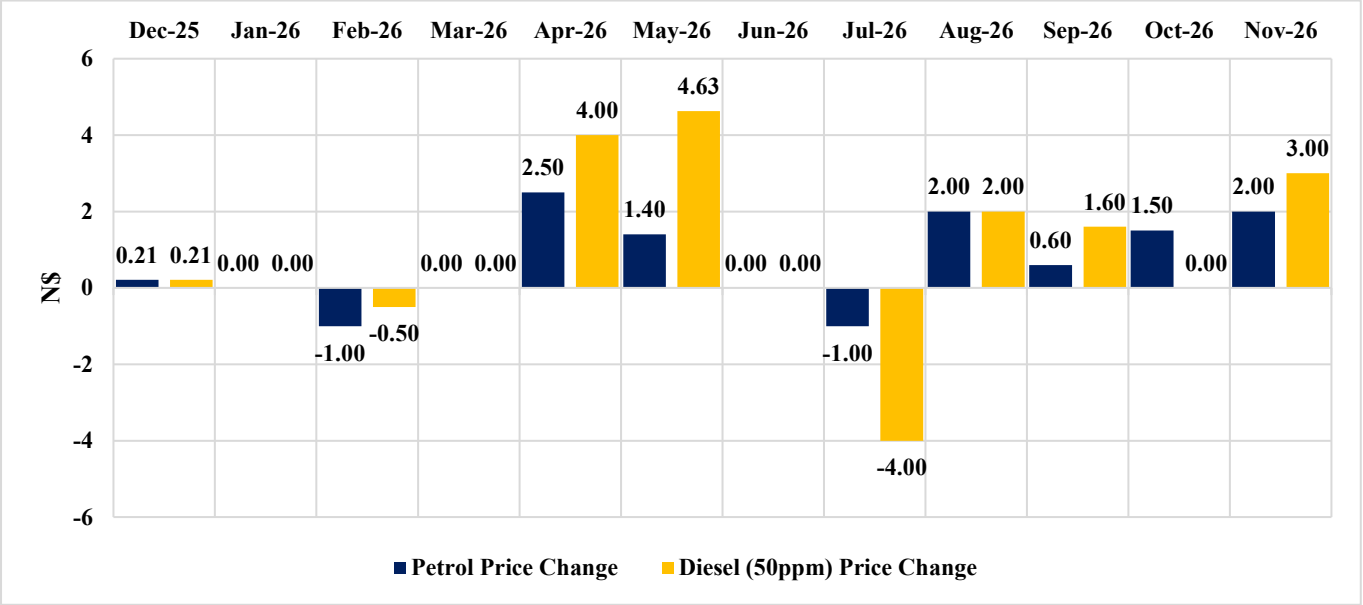
FIGURES & GRAPHS

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



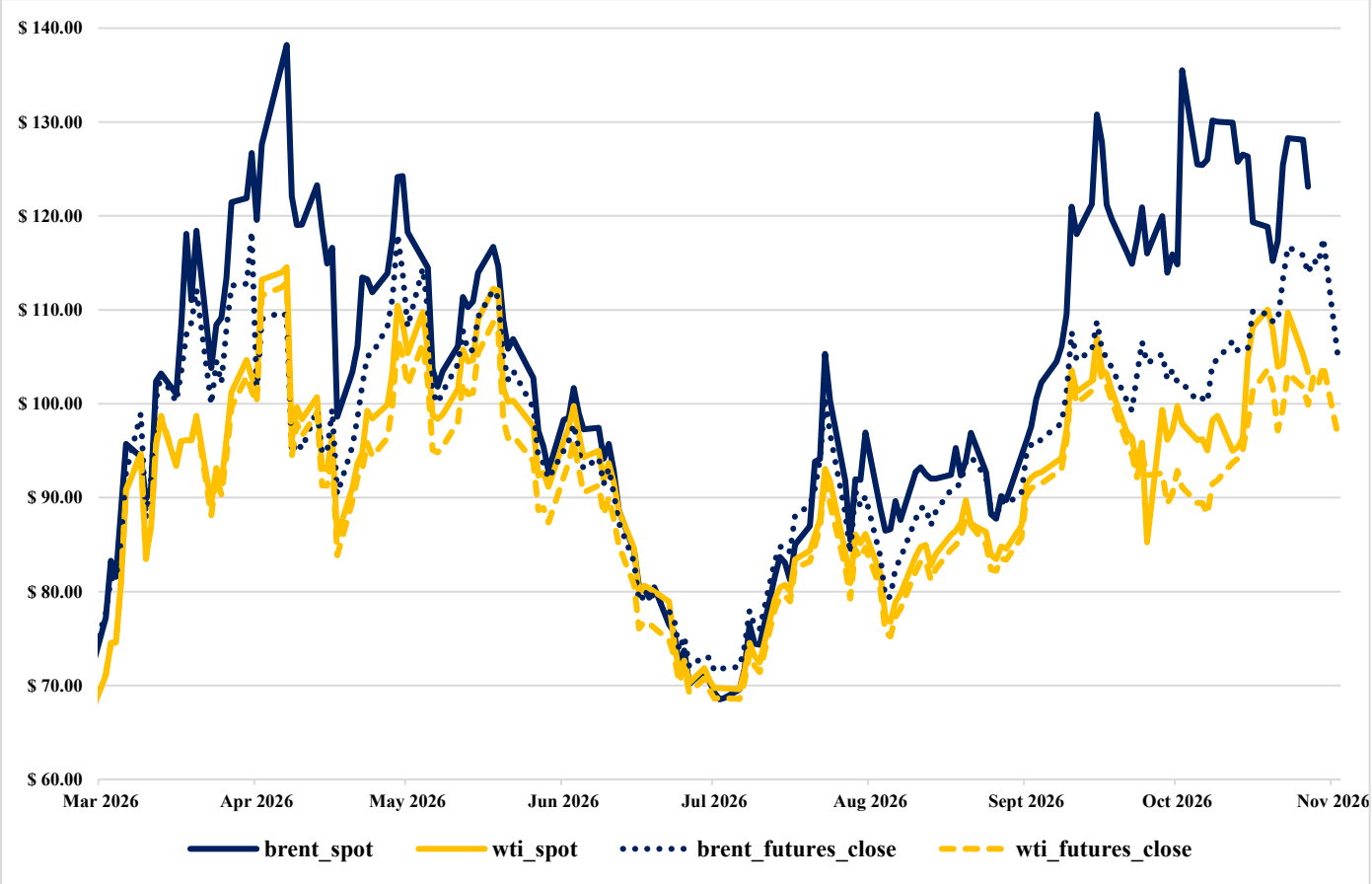
Source: MIME

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



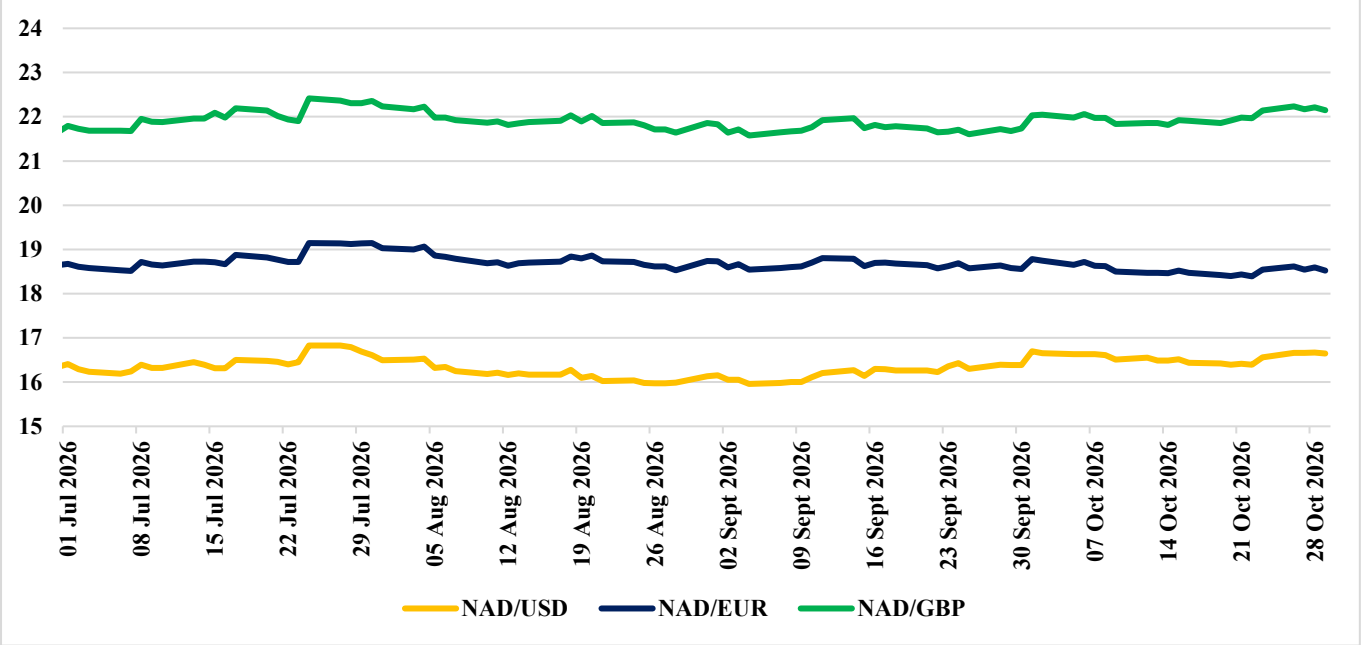
Source: MIME

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



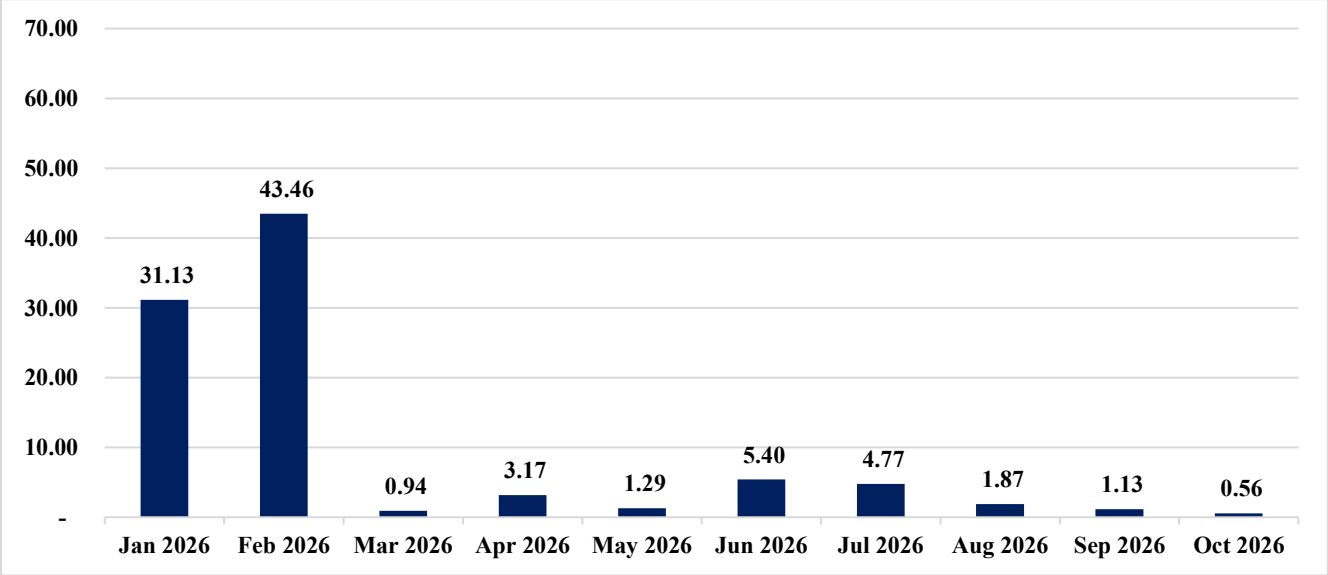
Source: U.S. Energy Information Administration (EIA), via FRED & Market Data, via Yahoo Finance

Figure 4: Namibia Dollar Performance Against the US Dollar, British Pound and Euro, 1 July – 29 October 2026



Source: HEI Research

Figure 5: Tanker Monthly Average Arrivals Strait of Hormuz 2026



Source: IMF Portwatch