



REPUBLIC OF NAMIBIA

MINISTRY OF INDUSTRIES, MINES AND ENERGY

Tel.: +264 61 284-8111
Fax: +264 61 238643 / 220386
E-mail: info@mme.gov.na
Website: www.mme.gov.na

6 Aviation Road
Private Bag 13297
WINDHOEK

MINISTERIAL STATEMENT

**BY THE HONOURABLE MINISTER OF INDUSTRIES, MINES AND ENERGY
ON THE SUPPLY OF BULK PETROLEUM PRODUCTS AND THE REMOVAL OF THE
PREMIUM PAID BY THE CONSUMER**

10 June 2026

1. I make this statement in order to set the record straight on certain matters concerning the supply of fuel to Namibia because the matter is of direct importance to every Namibian.
2. Hon Deputy Speaker, while appreciating the concerns, some of the narratives are misplaced and appear to proceed from a misapprehension of the manner in which the fuel industry is structured and regulated. I wish, therefore, first to clarify how the industry works, and second to restate the Government's rationale and objectives.

THE REGULATION OF THE FUEL INDUSTRY

3. At the outset, it is important to understand the manner in which the industry works and is regulated. The principal distinction in the industry is between a Wholesaler and a Retailer.
4. Wholesalers import fuel from international suppliers and then distribute that fuel to retail sites, where the fuel is sold to the consumer. Wholesalers and Retailers operate within Namibia, are subject to Namibian law, and are licensed accordingly.
5. International suppliers, such as Vitol, Trafigura, Total International and others, do not require a Namibian license in order to supply the Wholesalers who import the fuel. They supply from beyond our borders, and it is the Wholesaler, as the licensed importer, that brings the product into Namibia.

6. Vitol is an international supplier. It therefore does not require a Namibian licence to deliver to our wholesalers. Vitol delivers fuel, at port, to Namibian wholesale license holders (some of whom are related-party Namibian-licensed Wholesalers), for the import of those products into Namibia. I trust that this clarifies the position.
7. Vitol is not a new international supplier to Namibian wholesalers. It has in the past supplied, and continues to supply, approximately 60 per cent of the market, and in recent times has consistently supplied more than 60 per cent.

THE GOVERNMENT'S RATIONALE AND OBJECTIVES

8. Over the last four years, the consumer has paid to the Wholesalers a premium over and above the Basic Fuel Price.
9. The Basic Fuel Price is a blended international market price for fuel, to which the relevant costs, such as transport and a profit margin, are then added. In other words, the Basic Fuel Price already includes a profit margin and is reflective of the market price of fuel.
10. A premium is an additional charge, over and above that price, which the consumer pays. It is paid principally because the Wholesalers have stated that they cannot obtain their fuel at the Basic Fuel Price, and that if the premium is not paid, the country will run dry. The small size of individual Wholesaler parcels and the resulting diseconomies of scale are cited as the reasons for the premium.
11. This matter has plagued the country for some time. As far back as 2023, it was unanimously agreed with the petroleum industry that importers would order in bulk, in a coordinated manner, under a system known as the Bulk Petroleum Import Coordination System. This is what the MINISTRY is busy introducing. Indeed, we have ppp with both local and international companies and countries such Russia, Algeria, Angola, India, Ndongote and others, to supply our wholesalers on affordable terms. That was when Vitol also submitted, a quote, with a BFP flat rate, and no government guarantee required. They are actually selling their products cheaper, and in return, our wholesalers are also buying cheaper, and therefore also able to supply cheaper to the dealers. The meanings, the end users will get fuel on a cheaper price.

12. The coordinated ordering of volumes is nothing new in this industry. The Wholesalers have done so, and continue to do so, albeit in a fragmented and informal manner.
13. What is different now, borne of the necessity of the circumstance, namely the rapid increase in the international oil price and the impending depletion of the National Energy Fund, is that Government has engaged the industry to make offers to start this competitive process by which this coordination takes place, with the principal objective of removing the premium, while ensuring there is no financial exposure to Government.
14. The exercise conducted by Government has shown that this objective can be achieved by imposing a supervised, coordinated and competitive process upon the Wholesalers. That process has been shown to remove the premium, to the benefit of the consumer and forms a necessary step toward the implementation of the Bulk Petroleum Import Coordination System.
15. I reiterate that everything is to the benefit of both the wholesaler, dealers and consumers and that the removal of the premium that Namibians are currently paying for fuel is now imperative. Despite many attempts, the Wholesalers have been unable to remove that premium on their own. Government intervention is, accordingly, necessary.

I thank you.



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Hon. Modestus Amutse, MP
Minister of Industries, Mines and Energy

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Media enquiries: +264 61 284 8111 · info@mme.gov.na