

Hike in fuel prices will increase production cost: ex-PIAF chief

The trade and industry have condemned the government for increasing prices of petroleum products up to Rs6 per liter, terming it bad news for the country's economy, as this hike in fuel rates would lead to increasing cost of production.

Pakistan Industrial and Traders Associations Front (PIAF) former Chairman Irfan Iqbal Sheikh in a statement said though the prices of oil in global market are going up yet the authorities can keep the rates stable by reducing tax ratio which is highest in the region.

The government in the start of this month increased the prices of petroleum products by up to Rs6 per litre for the month of April. The decision was taken in the wake of a slight increase in the international crude price and currency devaluation.

The prices of petrol and high-speed diesel (HSD) have each been raised by Rs6 per liter, whereas the prices of kerosene oil and light diesel oil (LDO) have each been increased by Rs3 per litre. With the increase, the price of petrol now stands at Rs98.89 and HSD stands at Rs117.43 per litre.

Irfan Iqbal said that petroleum prices have generally been on the rise since early 2017 barring few reductions. Over the last couple of weeks, the international benchmark Brent has been inching up and the government has been mopping up tax rates in the run-up to the finalisation of an International Monetary Fund-assisted stabilisation programme. He said that it is unfortunate that the government has already announced to gradually increase electricity and gas rates over the next few months.

In the past, the government did not pass on the full benefit of declining oil prices to the public by imposing heavy taxes. It is the time to relax the duties and absorb the burden of soaring petroleum prices in international market by keeping the prices stable.

Irfan Iqbal, terming it a bad news for the country's economy which was already facing a number of challenges, said that the increase would put extra burden on the consumers.

During a meeting with a delegation of industrialists former Chairman PIAF, argued that the high cost of doing business is hindering Pakistan in achieving its export target. He said that PIAF had always been calling on the concerned government circles to take measures for the promotion of alternate fuels as trade deficit was fast widening due to heavy imports under the head of petroleum products. He said that rise in POL prices are bound to give a further blow to the industry.

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