

LPG price jacked up Rs23/11.8kg cylinder

ISLAMABAD: The government has jacked up the price of indigenous liquefied petroleum gas (LPG) by Rs2/kg or Rs22.92/11.8kg for the month of January 2019, which translates into an increase of 1.71 percent over the previous month, The News has learnt.

A notification issued by Oil and Gas Regulatory Authority (OGRA) said the new price of 11.8kg domestic cylinder would now be Rs1361.70.

However, contrary to the government's notified prices, the LPG is being sold at exorbitant prices, signaling towards the weak administrative control of the government machinery.

Currently, in parts of the country, including main urban centers, the LPG is being sold for more than Rs1550/11.8kg cylinder.

According to the OGRA notification, the producers price of LPG (propane 40 percent and butane 60 percent -two components of LPG— has been determined at 58,962.7/metric ton (MT).

This producers' price included excise duty of Rs85/metric ton, excluding Petroleum Levy. And under this head, the producer price of 11.8kg cylinder has been worked out at Rs695.76.

As per the notification, the marketing/distribution margin has been set at Rs35000/MT and Rs413/ 11.8 Kg cylinder, a Petroleum Levy of Rs4669/ metric ton will be also charged -which will be Rs55.09 for 11.8kg cylinder.

Prior to General Sales Tax (GST) imposition, the consumer price (Ex-GST), the price will be Rs98,631.74/metric ton and the 11.8kg cylinder price is Rs1163.85. The GST of 17 percent or Rs16,767.4/metric ton will be imposed and it will be Rs197.85 for 11.8kg cylinder.

According to details of monthly officially notified LPG prices record, in February 2018 the government notified it at Rs1332.48/11.8kg cylinder, March Rs1286.37, April Rs1282.37, May Rs1352.26, June Rs1443.42, July Rs1479.44, August Rs1564.98, September Rs1613.43, October 1673.24, November 1509.03, December 1338.78, and now for January 2019, it has been notified at Rs1361.7/11.8kg cylinder.

Meanwhile, an OGRA spokesman said violation of government notified prices would be met with strict action.

“The OGRA, with provincial governments, have started a crackdown on the sale of LPG at higher prices, while more than 200 companies have been issued show-cause notices in this regard,” the spokesman added.

He said OGRA had taken serious notice of the complaints received against overcharging and the culprits would not only face punitive action but also cancellation of their sales licenses.

Israr Khan