

POL products’ prices may soar

The Oil and Gas Regulatory Authority (Ogra) following the fluctuations in global oil prices on Tuesday recommended the federal government to increase prices of petroleum products by up to 10 percent for August. The Ministry of Finance will review and decide the prices of petroleum products on Wednesday (today) for the month of August, keeping in view revenue collection targeted for the current fiscal year.

The Ogra has calculated an increase of Rs 5.15 per litre in motor spirit (MS), Rs 5.65 per litre high speed diesel (HSD), Rs 5.38 in kerosene oil and Rs 8.90 per litre in price of light diesel oil (LDO). If given approval, the rate of petrol would reach Rs117.83 per litre from the current Rs 112.68, reflecting an increase of 5 percent.

With increase of 5 percent, the HSD price would go up from Rs 126.82 per litre to Rs 132.47 per litre. Similarly, the price of LDO would go up by 10 percent to Rs 97.52 per litre from Rs 88.62. The kerosene oil rate is expected to increase by Rs 5.38 per litre to Rs 103.84 per litre. The government is likely to pass on a partial increase in oil prices by making adjustment in the rate of general sales tax (GST) and petroleum levy in order to absorb most of the recommended surge in prices, sources in the Petroleum Division said.

The Ogra has calculated ex-refinery sale prices of petroleum products at standard 17 percent GST and PL on petrol and HSD. The Ogra has proposed PL on petrol at the rate of Rs10 per litre, Rs 8 for HSD, Rs 6 for kerosene oil and Rs 3 for LDO. The average price of previous three months (April to June 2019) of imported crude oil by Pakistan State Oil (PSO) is \$65 per barrel. In its outlook for 2019-20, World Bank has forecast the crude oil prices will hover around \$ 67 per barrel.

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