

Govt hikes GST, PDL rates for POL products

ISLAMABAD: The government has increased General Sales Tax (GST) and Petroleum Development Levy (PDL) rates for different products for May 2019. The government silently hiked the prices of POL products without making any formal announcements.

At a time when the IMF team is in the town no one should expect that the government can put increase in prices on hold for weeks.

Official sources confirmed to The New Sunday night that the PDL on petrol increased by Rs5 and went up to Rs15 per liter, while the PDL on diesel increased by Rs3 per liter. With effect from May 5, 2019, the FBR has increased GST rate at standard rate of 17 percent on all POL products except petrol.

According to a notification issued by the FBR, the Sales Tax on High Speed Diesel (HSD) has been increased from 13 percent to 17 percent; on kerosene from 8 percent to 17 percent, on light diesel oil from 9 percent to 17 percent and on motor spirit (petrol) from 2 percent to 12 percent.

The GST rates on POL products have become effective from May 5 (Sunday) and would continue till May 31 until a revised notification might be issued by the FBR after getting approval from the competent authority.

According to the SRO.507 issued by the FBR, the standard rate of sales tax would be applicable on high speed diesel oil, kerosene, light diesel oil. However, motor spirit would be subjected to lower rate of 12 percent sales tax.

The average price of POL in the international market has gone up from \$55 per barrel to around \$65 per barrel on average but the price surge went up at more pace for the voiceless domestic consumers.

By making upward adjustments in both the Sales Tax and PDL rates, now the prices of POL products have been increased with effect from Sunday. The government increased Rs4.89 per litre (or 4.16pc) in the price of High Speed Diesel (HSD). The HSD is largely used in transport and agriculture sector.

With this increase, its price will increase to Rs122.32 per litre from the current Rs117.43 a liter. The government increased kerosene price by Rs7.46/ litre and Light Diesel Oil (LDO) by Rs6.41 a litre.

The Ogra had recommended increase in petrol price by Rs14.38 per liter but the government hiked its price by Rs9 per liter and fixed it at Rs108.42 per liter. The government increased the kerosene price from Rs89.31 to Rs96.77 per litre with an increase of Rs7.46 per litre. Kerosene is used for cooking purpose, especially in the remote areas where LPG or pipeline gas is not available.

An increase of Rs6.41 per litre has also been done in the price of light diesel oil (LDO) that is mainly used for industrial production. Its price has gone up from Rs80.53 per litre to Rs86.94 per litre

Mehtab Haider