

By Our Staff Reporter

Reduction in prices of petroleum products notified

ISLAMABAD: The finance division on Saturday notified new prices of petroleum products which have been moved down 5.8 per cent for the month of September owing to decline in prices in the international market. As per a statement, the purchasing price of petrol has been reduced by Rs4.59 per litre to Rs113.24 per litre to be effective from Sept 1 from Rs117.83 per litre previously.

Similarly, the price of high speed diesel (HSD) has dipped by Rs5.33 per litre to Rs127.14 per litre from Rs132.47 previously. The new purchasing price includes the impact of taxes and distribution charges.

The average purchase price of petrol inclusive of customs duty over the last imported period has been Rs71.89 per litre and that of HSD Rs82.06 per litre prior to taxes and cost of distribution.

The finance ministry statement claimed that the end purchasing price of petrol in terms of rupee parity is significantly lower than the prices in regional markets, like India where it is available at Rs168.25 per litre; Sri Lanka Rs144.15 per litre and Bangladesh Rs168.79 per litre, respectively.

It is worth mentioning that the Oil and Gas Regulatory Authority (Ogra) had worked out a reduction of Rs7.67 per litre in that of HSD, but the government has passed a reduction of only Rs5.33 per litre. In terms of petrol, the whole reduction as recommended by Ogra has been passed on to end consumers.

Similarly the full impact in the price of kerosene and light diesel oil (LDO) has been transferred to end consumers.

The government reduced the price of kerosene by Rs4.27 per litre to Rs99.57 per litre from Rs103.84 per litre, while in the case of LDO the reduction is of Rs5.63 per litre to Rs91.89 from Rs97.52 per litre.

The finance ministry clarified that oil price calculation procedures are determined by Ogra using actual orders placed by the Pakistan State Oil for HSD and petrol. Pre-defined costs like freight, port handling and oil marketing companies/retailers margins are then added by Ogra.

For three months, the general sales tax has been fixed at 17pc when in FY2015-16 it had gone to as high as 71pc on HSD.

Besides, the Petroleum Development Levy is also fixed. So, any variation in purchase price of PSO over the last imported period is notified by Ogra. It was further explained that if international prices show a downward trend this occurs with 30-40 days, subject to exchange rate movement.