

Up to 15pc increase in gas prices proposed

ISLAMABAD: Petroleum Division has reportedly proposed an increase of up to 15 percent in gas prices for different categories of consumers' to be effective from January 1, 2020 against Ogra's recommendations of 214 percent raise, well-informed sources told Business Recorder.

Unconfirmed reports suggest that ECC which is scheduled to meet on Monday (January 20, 2020) with Prime Minister Advisor on Finance and Revenue, Dr Abdul Hafeez Shaikh in the chair will consider the summary of Petroleum Division about raise in gas prices.

Though gas summary is not on the ECC agenda for Monday, official sources believe that it is possible the summary will be tabled before the ECC on the instructions of the chairman ECC.

"Petroleum Division has recommended increase in gas tariff from 5 percent to 15 percent in different categories on the basis of consumer base and volume pattern. We have tried that poor consumers are not further burdened," said an insider on condition of anonymity.

The Commerce Ministry has recommended the ECC to convert cash development loan of Lahore Garment City into a grant. Finance Ministry has submitted a summary about sovereign guarantees.

The Ministry of National Food Security and Research has submitted a report on proposed exemption of 5 percent sales tax on cotton seed cake. Previously, ECC rejected the proposal after the Federal Board of Revenue (FBR) opposed it, saying that exemption will have financial hit of Rs 5 billion on revenue.

"Exemption of cotton seed cake is not supported because exemptions and reduced rates not only adversely affect the revenue but have also created distortions in the sales tax regime," the sources quoted FBR as saying.

However, keeping in view the woes of cotton ginner and growers, the Ministry of National Food Security and Research is making all out efforts to remove 5 percent GST on cotton oil seed cake.

The Ministry of Federal Education and Professional Training has sought approval of technical supplementary grant of Rs 96.652 million of National Book Foundation in favour of Ministry.

The Ministry of Information Technology and Telecommunication has sought supplementary grant of Rs 15,183,790 for centralized procurement of ICT infrastructure to ensure E-Readiness of the federal government for implementation of E-Government programme.

The Ministry of Interior has sought approval of technical supplementary grant amounting to Rs 458.077 million under demand No-073 other expenditure of Interior Division for payment of the troops' cost/subsistence allowance to personnel of CAFs deployed in UN Peace Keeping Missions.