

Rs7 per litre hike in petrol price on the cards

ISLAMABAD: Another increase in petroleum products prices is on the cards, as the Petroleum Ministry has suggested to the government to increase the prices by up to Rs9.5/litre for August 2020, despite the fact that international oil prices are almost stagnant, but rupee has devalued. The ministry has sent the summary to the Finance Ministry in which it has proposed increase of Rs7/litre in petrol price, Rs9.5 in diesel price, Rs6.21 in light diesel oil (LDO) prices and Rs6 increase in kerosene price.

If the government accepts this suggested increase the price, petrol price will go up from current Rs100.1 to Rs107.1/litre, diesel price will increase from Rs101.46 to Rs110.96/litre, LDO price will go up from current Rs55.98 to Rs62.19/litre and kerosene oil price will increase to Rs62.06 from current Rs59.06/litre.

It is worth mentioning that last month, the government had made a hefty increase of up to 66 percent in petroleum products prices by jacking up prices of petrol by Rs25.58/litre, diesel Rs21.31/litre and kerosene by Rs23.50/litre and LDO by Rs17.84/litre.

The government is currently charging Rs30 per litre petroleum levy (PL) on petrol and diesel while Rs6/litre on kerosene and Rs3/litre on LDO. The government is also charging 17 percent general sales tax (GST) on all petroleum products.

For the last more than a month, the Brent price in international market is almost stagnant, and is hovering the range of \$41 to 44/barrel.