

Govt slashes petrol price by Rs7 per litre

Price of kerosene oil cut by Rs11.88, LDO by Rs9.37 per litre

● ZAFAR BHUTTA
ISLAMABAD

The government on Sunday slashed the price of petrol by Rs7.06 per litre for the month of June 2020 in line with the dip in global oil prices due to coronavirus-induced lockdowns.

Following the notification issued by the finance ministry, the price of petrol has come down from Rs81.58 to Rs74.52 per litre.

However, the government regulator slightly increased the price of high-speed diesel (HSD) by Rs0.05 per litre from Rs80.10 to Rs80.15 per litre.

The meagre increase in the price of HSD which is mainly used in transport and agriculture sectors may have no impact on the inflation rate.

With the start of the harvesting season, the demand for diesel has increased, prompting the government to lift the ban on imports.

The price of kerosene oil has been reduced by Rs11.88 per litre from Rs47.44 to Rs35.56 per litre.

Kerosene is used for cooking purposes, especially in far-flung areas where liquefied

petroleum gas (LPG) or gas is not available.

The price of light diesel oil (LDO) has been cut by Rs9.37 per litre from Rs47.51 to Rs38.14 per litre.

These prices shall be applicable from June 1, 2020.

The government charges 17% general sales tax (GST) on all petroleum products.

Apart from that, it collects petroleum levy on the sale of these products.

SLIGHT INCREASE

80.15

rupees per litre is the new price of high-speed diesel after a raise of Rs0.05 per litre

The levy on petrol has been increased from Rs23.76 to Rs30 per litre.

The oil industry had been demanding to freeze ex-refinery price to save refineries from heavy inventory losses.

However, the government increased the rate of petroleum development levy on petrol but reduced ex-refinery rate of petrol by Rs11.74 per litre.

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The actual reduction in price of petrol was Rs13.30 per litre but the government reduced the price by Rs7.06 per litre and the remaining impact of Rs6.24 per litre had been adjusted in petroleum levy.

The government will continue charging Rs30 per litre petroleum levy on high speed diesel, Rs18.02 per litre on kerosene oil and Rs11.18 per litre on light diesel oil in addition to 17% GST.

The industry sources say that it would lead to serious shortage of petrol in the country as refineries would reduce production and oil marketing companies would not import petrol.

Prime Minister Imran

Khan also hailed the reduction in the prices of petroleum products and tweeted that Pakistan now had the cheapest fuel cost compared to other states in South Asia.

"We have further reduced petrol, light diesel oil, kerosene oil prices. Now we have the cheapest fuel cost compared to other states in South Asia. India is almost exactly double. Bangladesh, Sri Lanka & Nepal are all 50 to 75 percent more expensive than us."

Earlier, the government had reduced Rs15 per litre in the price of petrol, Rs27.15 in HSD, Rs30.01 in kerosene and Rs15 per litre in the price of LDO for the month of May 2020.