

Businessmen call for cut in POL levies

LAHORE: The business community has urged the government to slash the levies and tax on oil products to support the industry and trade activities citing that the government was charging record high petroleum levy as well as sales tax on petroleum products.

In a statement on Saturday, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Mian Anjum Nisar observed that petroleum levy was kept on a higher side by the government, at almost Rs30 per litre. According to him, the skyrocketing tax was placing an additional burden worth billions of rupees on consumers as the government was focused to achieve revenue target by taxing POL products at a time when oil prices were stable in the international market.

"The government increased the levy on petroleum products manifold to minimise its revenue losses instead of letting consumers benefit from the reduction in global oil prices during pandemic-hit economic slowdown," he said. "By jacking up the ratio of taxes, duties and petroleum levy, the government has deprived the consumers of relief from the plunge in global oil prices." The official pointed out that the trade and industry could have reaped full benefits of the drop in global oil prices citing that local prices could have fallen further had the government decided not to enhance the levy.

He regretted that the petroleum levy was inflated by up to 300% in May 2020 to adjust the losses when government announced sizeable cut in petroleum prices. "This considerable reduction was withdrawn before the end of the month but unprecedented hike in levies were not taken back," he added.