

Consumer pays Rs47 extra on every litre of petrol

ISLAMABAD: On each litre of petrol, Rs47.59 is charged on account of levy, tax, duty and margin. Rs45.95 is charged on every single litre of diesel under the same heads.

According to sources, the government has applied a new set of levies, taxes, duties and margins on the petroleum products whose prices have been repeatedly jacked up during the last few months.

The actual price of per litre petrol is Rs64.31 but it is sold at a price of Rs111.9. The actual price of diesel is Rs70.13 but it is sold at Rs116.08.

Providing a breakup, the sources said the government has imposed a levy of Rs21.04 on every litre of petrol. On every litre the consumer pays Rs16.26 as sales tax; Rs3.70 as dealer's margin and Rs2.81 as distributor's margin. Rs3.78 are also imposed on every litre as Inland Freight Equalization Margin (IFEM).

On every litre of diesel, the consumer pays a levy of Rs22.11; a sales tax of Rs16.87; dealer's margin of Rs3.12; distributor margin of Rs2.81 and IFEM of Rs1.04.

The PTI government on Sunday increased the price of petrol by Rs2.70 effective from February 1 (Monday) after approval from Prime Minister Imran Khan, a statement issued by the PM Office said.

"Prime Minister Imran Khan approved a minimum increase in the prices of petroleum products in the interest of the public, contrary to the recommendations sent by the Ogra [Oil and Gas Regulatory Authority]," the statement added.

The government announced a price hike of Rs2.88 for high-speed diesel whereas the tariff of kerosene oil was increased by Rs3.54. The price of light diesel was also surged by Rs3. The new tariffs will take effect at midnight.

The statement added that the Ogra had recommended an increase of Rs13.18 for petrol, Rs12.12 for high-speed diesel, Rs11.10 for kerosene oil and Rs6.62 for light diesel.

Petrol is widely used in motorbikes and cars whereas high-speed diesel is used in transport and agriculture sectors. Therefore, the increase in their prices would have an inflationary impact on the masses as they are widely used. On the other hand, kerosene is used in remote areas like northern parts of the country for cooking purposes where liquefied petroleum gas (LPG) or Sui gas is not available.