

• **TOP STORIES**

## **Petrol price slashed by Rs 2.41, diesel's by Rs 6.37**

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The federal government on Monday reduced the prices of all petroleum products for the month of September. Finance Division has notified the new prices of petroleum products with effect from 1st September to the end of September. The government has reduced the price of MS petrol by Rs 2.41 per litre to Rs 92.83 per litre from Rs 95.24 per litre and High Speed Diesel (HSD) by Rs 6.37 per litre to Rs 106.57 from Rs 112.94 per litre.

The government also reduced the price of kerosene oil by 46 paisas per litre from Rs 83.96 to Rs 83.50 per litre and light diesel oil (LDO) price by 0.59 paisas to Rs 75.37 per litre from Rs 75.96 per litre.

This is the first oil price revision which was made by the new government of Pakistan Tehreek-e-Insaf. On Friday, Minister for Petroleum Ghulam Sarwar Khan told media persons that the government would rationalise the petroleum products gradually.

On Thursday last, the Oil and Gas Regulatory Authority (OGRA) recommended a reduction of Rs 6 per litre in the price of HSD to Rs 106 per litre, Rs 2 in the price of petrol to Rs 93 per litre, 30 paisas in kerosene oil price and 70 paisas in the price of LDO to bring it at Rs 76 per litre.

Petrol and HSD are two major products that generate a large chunk of revenue for the government because of their massive and growing consumption. The government is also charging a petroleum levy at the rate of Rs 8 per litre on HSD, Rs10 per litre on petrol, Rs 6 per litre on kerosene and Rs 3 per litre on LDO.

HSD sales across the country are now going beyond 800,000 tons per month against monthly consumption of around 700,000 tons of petrol. Sales of kerosene and LDO are generally less than 10,000 tons per month.

In August 2018, the FBR was collecting 9.5 percent sales tax on motor spirit, high speed diesel oil 22 percent sales tax, kerosene 6 percent and sales tax on light diesel oil was charged at the rate of 1 percent.

Earlier, the last caretaker government did not pass the impact of hike in international crude oil prices onto consumers for August, leaving the price unchanged and passing the responsibility of price adjustment to the elected government.

The caretaker government had on July 1 hiked the price of petrol by Rs 7.54 to Rs 99.50 per litre, high speed diesel by Rs 14 to Rs 119.3 per litre and kerosene oil by Rs 3.36 to Rs 87.7 per litre. However, the prices were brought down on July 7 after the Supreme Court took notice of heavy taxes on the sale of petroleum products.

On July 7, the federal government reduced price of petrol by Rs 4.26 to Rs 95.24 per litre, high-speed diesel by Rs 6.37 to Rs 112.94 per litre, kerosene oil by Rs 3.74 to Rs 83.96 per litre and light diesel oil by Rs 5.54 to Rs 75.37 per litre. As a result of the reduction in petroleum prices, the government sustained an estimated revenue loss of Rs10 billion.

