

**ISLAMABAD** - The Lahore High Court while hearing challenges to certain provisions of the LPG Policy 2013 restrained Federal Government from taking any coercive measures pursuant to Clauses 3.3.1, 3.6 (vi) and 3.6 (vii) of the Policy.

These provisions had been challenged by LPG marketing companies and one LPG Producer. Clause 3.3.1 of the LPG Policy 2013 afforded preference to Sui companies having LPG air mix plants in allocation of LPG by Public Sector LPG Producers including OGDCL, PARCO and PPL. This in effect deprived the existing 91 plus LPG marketing companies operating in the private sector from access to local production from the Government sector. The Government is the largest producer of LPG in Pakistan and accounts for 65pc of the country's total production.

Clause 3.6 (vi) asked for holding LPG marketing companies responsible for ensuring their notified sale price at distributor premises. The Petitioners argued that in light of Clause 3.6 (v) whereby Ogra has been asked to register distributors of LPG companies thereby recognising them as individuals having a stake in the LPG chain - the companies could not be held responsible for the actions of the distributors.

The Petitioners also challenged Clause 3.6 (vii) which had been deliberately left vague in order for the Public Sector LPG Producers to provide an advantage to their favored parties. The Clause made it mandatory for LPG Producers in Sindh and Balochistan to market 7pc of their LPG to companies having distribution network in Balochistan. The petitioners argued that if the Government's intention was sincere in providing LPG to Balochistan the clause would have made it mandatory to supply 7pc of LPG produced to companies having storage and bottling infrastructure in Balochistan as opposed to merely demonstrating a distribution network on paper.

Barrister Aitzaz Ahsan and Shahid Saeed appeared for the petitioners. "The above clauses have in effect been suspended till the next date of hearing which is scheduled for 23rd April" said a spokesman for the LPG association of Pakistan.

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Courtesy: The Nation