

Rs 2-3.50 hike in POL prices likely | Forex, Pakistan

Written by Shumaila Ahmed

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The government is likely to enhance price of petroleum products in the range of Rs 2-3.50 per litre, effective March 1. According to sources in the Petroleum Ministry the expected increase in petroleum prices could be attributed to two factors, ie, an expected increase in the margins of the Oil Marketing Companies (OMC) and petroleum dealers and depreciation of PKR against the dollar and other international currencies. Officials said an increase of Rs 2.86 per litre in the price of petrol is expected from March 1, Rs 2.72 per litre of High Speed Diesel (HSD), Rs 2.51 of Light Diesel Oil (LDO), Rs 2.60 per litre of Kerosene Oil and Rs 2-3.50 per litre of High Octane Blending Component (HOBC).
At present different petroleum products are selling at following prices: HOBC at Rs 129.96 per litre, kerosene oil at Rs 99.90 per litre, HSD at Rs 109.21 per litre, LDO at Rs 94.33 per litre and petrol at Rs 103 per litre. If the government revises petrol prices upward from March 1, different POL products would be available at following rates: Petrol at Rs 106. per litre, HSD at Rs 112.07 per litre, LDO at Rs 96.84 per litre, Kerosene at Rs 101.60 per litre and HOBC at Rs 132 per litre.
On February 13, the Oil Marketing Companies (OMC) and petroleum dealers requested the government to increase their margins by up to Rs 1.50 per litre petrol - a move strongly opposed by the Oil and Gas Regulatory Authority (Ogra). The dealers are currently getting Rs 2.30 per litre commission on petrol and Rs 2.20 on high-speed diesel. Likewise, the OMCs are getting the margin of Rs 1.58 per litre on petrol and Rs 1.76 on high-speed diesel.
The official said that the ministry may allow increase in the price of petrol by Rs 0.80-1 per litre and that of high-speed diesel by Re0.50-0.85 per litre by increasing the margins OMCs and commission of dealers. It will submit the summary seeking raise in OMCs" margin and dealers" commission to ECC for formal approval.

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Courtesy: Business Recorder