

# OIL AND GAS REGULATORY AUTHORITY

Plot #54, Fazal-e-Haq Road, Near PIA Building, Blue Area, Islamabad, Pakistan.

## PRESS RELEASE

**Islamabad, November 30, 2010.** It is pointed out that the Arab Gulf petroleum product prices showed an increasing trend over the month of November 2010, details of which are provided below:

| Product              |     | Unit     | Effective November 01, 2010 | Effective December 01, 2010 | Difference inc/(dec) | %age  |
|----------------------|-----|----------|-----------------------------|-----------------------------|----------------------|-------|
| Motor Spirit 95 RON  | C&F | \$ / BBL | 88.55                       | 91.40                       | 2.85                 | 3.2%  |
| Kerosene Oil         | C&F | \$ / BBL | 93.60                       | 96.58                       | 2.98                 | 3.2%  |
| HSD                  | C&F | \$ / BBL | 92.10                       | 95.15                       | 3.05                 | 3.3%  |
| Furnace Oil          | C&F | \$ / MT  | 479.43                      | 498.25                      | 18.82                | 3.9%  |
| Arab Light Crude Oil | FOB | \$ / BBL | 79.71                       | 83.39                       | 3.68                 | 4.6%  |
| Exchange Rate        |     | Rs/US\$  | 86.13                       | 85.67                       | (0.46)               | -0.5% |

**The Federal Government,** In pursuance of ECC decision of October 15<sup>th</sup>, 2010, on deregulation of petroleum product prices, in the first phase, has introduced certain changes in the petroleum product pricing framework w.e.f December 01, 2010, to mitigate the rising trend in the international petroleum product prices in public interest.

Brief description of the changes is as follows;

- a. Import incidentals of 1.008% of C&F price and wharfage not to be included while calculating the ex-refinery price of petroleum product being notified by OGRA.
- b. OMCs and Dealers Margins have been fixed in absolute terms as follows;

|                         | MS   | HOBC | Kerosene | LDO  |
|-------------------------|------|------|----------|------|
| OMCs Margin (Rs/Ltr)    | 1.50 | 1.72 | 1.58     | 1.61 |
| Dealers Margin (Rs/Ltr) | 1.87 | 2.15 | -        | -    |

OMCs and Dealers margin for HSD have already been fixed by Federal Government at Rs. 1.35/Liter and Rs. 1.50/Liter respectively

- c. Only actual incidentals and wharfage will be allowed in case of imported petroleum product prices only.

Furthermore, the Federal Government has also notified reduction in Petroleum Levy, in order to maintain the petroleum product prices at Nov 1, 2010 level, details of which are as follows:

**Rs. per Liter**

| Product  | Effec Nov 01,2010 | Effec Dec 01,2010 | Difference | %age |
|----------|-------------------|-------------------|------------|------|
| MS       | 10.00             | 10.00             | 0.00       | 0%   |
| HOBC     | 14.00             | 13.84             | (0.16)     | -1%  |
| Kerosene | 6.00              | 5.69              | (0.31)     | -5%  |
| LDO      | 3.00              | 2.27              | (0.73)     | -24% |
| HSD      | 8.00              | 6.29              | (1.71)     | -21% |

The said changes by the Federal Government have avoided a prices increase as detailed under, had the price been computed per old oil pricing framework:

| Product      | Unit     | Effective December 01, 2010 | Effective December 01, 2010 | Diff inc/(dec) | %age |
|--------------|----------|-----------------------------|-----------------------------|----------------|------|
|              |          | Old Framework               | New Framework +PL Adjust    |                |      |
| Petrol       | Rs/Liter | 74.69                       | 72.96                       | (1.73)         | -2%  |
| HOBC         | Rs/Liter | 88.84                       | 86.67                       | (2.17)         | -2%  |
| HSD          | Rs/Liter | 80.47                       | 78.33                       | (2.14)         | -3%  |
| LDO          | Rs/Liter | 68.61                       | 66.61                       | (2.00)         | -3%  |
| Kero         | Rs/Liter | 72.53                       | 70.95                       | (1.58)         | -2%  |
| JP-1 (Local) | Rs/Liter | 61.82                       | 61.18                       | (0.64)         | -1%  |
| JP-4         | Rs/Liter | 59.23                       | 58.59                       | (0.64)         | -1%  |
| JP-8         | Rs/Liter | 61.53                       | 60.89                       | (0.64)         | -1%  |

Accordingly, the Oil and Gas Regulatory Authority (OGRA) has announced that maximum ex-depot prices of petroleum products, effective **December 01, 2010**, will remain unchanged as follows:-

**Rs. per Liter**

| Product      | Effective Dec 01, 2010 |
|--------------|------------------------|
| Motor Spirit | 72.96                  |
| HOBC         | 86.67                  |
| Kerosene Oil | 70.95                  |
| LDO          | 66.61                  |

Detailed computations are available at OGRA's website ([www.ogra.org.pk](http://www.ogra.org.pk)).