

# **OIL AND GAS REGULATORY AUTHORITY**

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

## **PRESS RELEASE**

**Islamabad, January 31, 2012.** Federal Government, in pursuance of ECC decision of October 06, 2010, has deregulated the ex-refinery/ex-depot prices of Motor Spirit, HOBC, LDO and Jet fuels (JP-1, JP-4 & JP-8) w.e.f June 01, 2011. Per the ECC decision, refineries/Oil Marketing Companies (OMCs) will fix / announce ex-refinery / ex-depot prices of above mentioned POL products.

The Oil and Gas Regulatory Authority (OGRA) will, however, continue to compute /notify ex-refinery prices of HSD and Kerosene including ex-depot prices of Kerosene Oil and E-10 Gasoline on monthly basis, on Federal Government given formula & Petroleum Levy.

The ex-depot prices of Kerosene Oil and E-10 Gasoline, effective **February 01, 2012** will be as follows:-

*Rs/Litre*

Product	Existing Price	Price w.e.f February 01, 2012	Difference inc/(dec)	%age
Kerosene Oil	89.24	92.02	2.78	3.1%
E-10 Gasoline	87.05	92.41	5.36	6.2%

The maximum ex-depot prices for various POL products, computed by PSO, per Federal Government approved formula, effective February 01, 2012, are reproduced below for information.

*Rs/Litre*

Product	Existing Price	Revised w.e.f Feb 01, 2012	Difference inc/(dec)	%age
MS	89.54	94.91	5.37	6.0%
HOBC	111.91	118.20	6.29	5.6%
LDO	86.78	90.21	3.43	4.0%
HSD	98.82	103.46	4.64	4.7%

The above revision has been approved by Federal Government owing to changes in international POL prices and exchange rate which are tabulated below.

Base Product C&F Comparison	Unit	Effec Jan 01,2012	Effec Feb 01,2012	Difference Inc/(dec)	%age
Naphtha	\$ / MT	889.74	935.91	46.17	5.2%
HSFO	\$ / MT	681.01	723.46	42.45	6.2%
Kerosene Oil	\$ / BBL	123.52	126.11	2.59	2.1%
Gas Oil	\$ / BBL	123.92	127.56	3.64	2.9%
Gasoline 95 RON	\$ / BBL	112.66	122.29	9.63	8.5%
Exchange rate	Rs	89.30	90.34	1.04	1.2%

Furthermore, Federal Government has also increased Petroleum Levy (PL), in case of HSD from Rs. 5.18 to Rs. 6.50 per litre to mitigate its budgetary constraint.

OGRA had, however, recommended to the Federal Government that POL prices be kept unchanged by absorbing the said increase in Petroleum Levy, to provide relief to public at large. OGRA had also highlighted that estimated receipts of the Federal Government from Petroleum Levy (PL) and Sales Tax, for the period July-December 2011 amounted to Rs. 153.3 billion which is Rs. 9.2 billion higher than July-December 2010 receipts of Rs. 144.1 billion. In case POL prices were kept unchanged, the estimated decrease in government revenue would have been Rs. 3 billion only which is within the additional tax revenue of Rs. 9.2 billion, being earned by the Federal Government.

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