

(AFFILIATED WITH FPCCI)
(Ministry of Commerce Licence No.69)
(SECP CUI No.0067829)

PRESS RELEASE

LPG's Aramco price surges to \$ 805 per ton

KARACHI, Nov. 30 - The international price (Saudi Aramco Contract Price) of liquefied petroleum gas (LPG) has jumped by \$ 13 to \$ 805 per ton for December 2011, raising its import price by Rs 1,144 to Rs 98,000 per ton in the country.

This was stated by the chairman of FPCCI Standing Committee on LPG and All Pakistan LPG Distributors Association (APLDA) Abdul Hadi Khan here Wednesday. He said that domestic price of LPG will be increased by Rs 1.5 to Rs 2 per kilo, 11.8 kilo cylinder by Rs 23 and 45.4 kg cylinder by Rs 68 in the country if the local producers also enhanced their price in accordance with Saudi Aramco CP.

Hadi urged the local producers not to raise domestic prices in the national interest and for the cause of country's LPG industry and said that LPG sale has restricted to 65 to 70 percent in the country. He urged the Ministry of Petroleum and Natural Resources to issue a clear cut notification for imposing a proposed levy on the LPG producers so that they cannot transfer this burden to consumers who are making huge profits due to lesser cost of LPG production in the country.

Lauding the decision of the Ministry to impose development levy to LPG producers, Hadi said that LPG is the only sector where producers are making income which is higher by manifold than their product cost. He pointed out that if this levy was extended to other segments of the LPG sector, it will be out of reach of common users and result in the creation of few monopolies.

Hadi noted that LPG imports have declined by 45 percent during January to November 2011 due to rise in international price of LPG and imposition of sales tax at import stage. He said that only 28,000 metric ton LPG was imported during 11 months of 2011 compared to 51,025 tons in the same period of 2010, noted that LPG users have grown to more than 50 million in the country due to higher prices of petroleum products and it is now consumed by automobiles, commercial and domestic consumers.

He pointed out that local consumption of LPG is around 1,500 to 1,600 per ton per day during the current winter, while its production is ranging between 1,100 to 1,200 ton per day. This had touched 2,200 ton per day few years ago, he added. Hadi said that LPG business has fallen by 60 percent during January-July 2011, as 70 percent of the commercial vehicles have switched to CNG due to high prices of LPG. He urged the government to withdraw 16 percent GST on LPG import and impose development levy on producers to break the current cartel of local producers in the country.

ABDUL HADI KHAN (CHAIRMAN)
0300-8204994

BANGLOW No.2-B,Block 6,PECHS, Karachi.
Phone # +92-021-34521793 Fax# +92-021-34521361