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PRESS RELEASE

LPG price unchanged: Hadi
Minister urged to impose new levy only on LPG producers

KARACHI, Dec. 30 - Chairman of FPCCI Standing Committee on LPG and Patter in Chief All Pakistan LPG Distributors Association (APLPGDA) Abdul Hadi Khan said Friday that there is no increase in the prices of liquefied natural gas in the country and those who are spreading rumours of rise are trying to create anarchy.

In a statement, said that profiteers and hoarders are spreading rumours on the basis of a levy of Rs 11,400 per ton on LPG being imposed on LPG from 1st January. He said that though demand for LPG has increased by 80 percent due to natural gas crisis, production and supply chain in organized sector did not increase its prices so far.

Hadi pointed out that LPG prices will be reviewed for the local market after any change in Saudi Aramco Contract Price for January 2012. Presently, he said, LPG's 11.8 kilo cylinder was selling at Rs 1210 and 45.4 kg cylinder at Rs 4656 in Karachi while in Lahore it was Rs 1285 for 11.8 cylinder and Rs 4944 for 45.4 kg cylinder. In Khyber Pukhtoonkhwa, 11.3 kg cylinder was available at Rs 1320 and 45.4 kg cylinder at Rs 5078, he added.

Hadi alleged that Ministry of Petroleum while going against the recommendation for imposing the levy on producers, has imposed this levy on other stakeholders of LPG to directly impact its consumers. This is highly unjustified, he noted. He feared that LPG prices will be enhanced by Rs 11 to 12 on every kilogram after the imposition of this levy on LPG industry.

He noted the dependence on LPG has increased as energy crisis has compounded in the country and urged the Ministry of Petroleum to introduce a policy for providing a relief to common man.

Hadi pointed out that 40,804 metric ton LPG was imported during current year compared to 61,806 tons in 2010. He said that no LPG was imported till June 2011, but due to energy crisis and gas load shedding, import activity geared up in July 2011. In December alone, 12,845 MT of LPG was imported through six ships. This shows the rising dependence on LPG, he remarked.

Hadi suggested Minister for Petroleum Dr Asim Hussain to send a summary to the Prime Minister for imposing the levy only on LPG producers to avoid a new wave of price hike in the country. He said country was facing great challenges in energy sector and poor man is being heavily burdened with price hike.

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