

OIL PRICE HIKE

PRESS RELEASE

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PROF. KHURSHID AHMAD

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Member Senate of Pakistan

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Islamabad (May 02,2006): Senator Professor Khurshid Ahmad has condemned recent increase in petroleum prices saying that the government has not only failed to safeguard people's rights, it has become insensitive to their problems.

"Government has struck one more blow to the people who are already crushed by the burden of high prices, bad law and order situation, and failure of all government initiatives to make life easy for the common man," he said and noted that it was thought that perhaps fixing of petrol prices by OGRA would set a different example but this hope has been dashed to the ground by the very first gift OGRA has given in the form of over seven per cent increase in the prices of petroleum, diesel and kerosene oil.

Professor Khurshid maintained that government's spokesmen are trying to befool the people by saying that there is any subsidy in this respect. "This is like adding insult to injury," he observed.

Substantiating his point, the Senator, who headed the Senate Standing Committee on Finance from 1986 to 1997, said that in reality "40% to 45% of the prices paid by the consumer is already going to the government in the form of different taxes and levies." The huge amount so collected is supposed to make up a fund as a cushion for stabilization of prices. "If the international prices have gone down this stabilizing fund would accumulate the surplus which would be used when international prices go up," he told and added, "The consumers would, thus, be protected from sudden changes in world prices."

Government has been earning billions of rupees over the years by using this stabilization fund for its own revenue expenses and yet wants the people to believe that the amount that comes to this fund is one of its normal sources of income, he lamented. Saying that the consumer is suffering and the entire economy is being adversely affected because of the ill-planned policies, Professor Khurshid called for an end to this game of exploitation. He demanded that the increase in world prices should be absorbed in the stabilization fund represented by the difference between the price the consumer pays and the ex-refinery price and transportation cost and agency commission. This is a must to provide relief to common man, concluded Prof. Khurshid Ahmad.
