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Petrol Prices in Pakistan May Drop From August 1

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– Categories: Economics



Petrol prices in Pakistan are expected to decline by up to Rs9.70 per litre starting August 1, due to falling international oil prices and reduced import premiums. Industry officials have indicated that this potential decrease is based on current trends in global markets and pricing mechanisms.

According to data from the international petroleum market, the price of crude oil per barrel has dropped from \$75.27 to \$73.19. In parallel, the premium charged on petroleum imports

has decreased significantly from \$9.61 to \$6.74 per barrel. This combined reduction has resulted in a drop in the ex-refinery petrol price from Rs168.73 to Rs159.66 per litre.

Similarly, diesel prices have seen a downward adjustment. The ex-refinery price of high-speed diesel (HSD) has dropped by Rs3.73 per litre, which could lead to a reduction in retail diesel prices, depending on government adjustments.

In addition, customs duties on petroleum products have been reduced, from Rs 15.33 to Rs 14.29 per litre. These changes are expected to support a decrease in local fuel prices unless offset by government policy changes.

Officials have confirmed that the final pricing decision will depend on the Pakistani rupee's exchange rate performance against the US dollar in the days leading up to the revision. A summary of the revised petroleum prices is scheduled to be submitted to the Ministry of Finance by July 31.

The Finance Ministry will review the proposed changes while balancing government revenue needs, particularly concerning the petroleum development levy (PDL). If the government decides to increase this levy to compensate for lost revenue, it could reduce or eliminate the expected consumer relief.

An official notification regarding the new petrol and diesel prices is expected to be released shortly after the ministry's review. If approved without major adjustments, the reduction would provide some economic relief to consumers amid rising inflation and fuel costs in other sectors.

The expected revision reflects the volatile nature of global oil markets and highlights Pakistan's reliance on import-based fuel pricing. Whether the full benefit of the international price drop is passed on to the public will be known once the government finalises its decision.