

Government Slashes Diesel Prices, Keeps Petrol Steady Amid Market Stability Measures

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Islamabad – In a move aimed at providing relief to transporters, businesses, and the general public, the federal government announced a significant reduction in the price of high-speed diesel (HSD) by Rs12.84 per litre, effective from August 16, 2025. The new diesel price has been set at Rs272.99 per litre, while petrol prices remain unchanged at Rs264.61 per litre for the next fortnight.

The government also revised other petroleum products, lowering kerosene oil by Rs7.19 per litre to Rs178.27 and light diesel oil (LDO) by Rs8.20 per litre to Rs162.37. These adjustments come as part of the fortnightly review conducted by the Oil and Gas Regulatory Authority (OGRA), reflecting both market realities and a commitment to shielding consumers from sudden price shocks.

The decision underscores the government's proactive approach to stabilizing the energy sector, balancing global oil price fluctuations with domestic economic priorities. Analysts have noted that the diesel reduction will particularly benefit freight operators and

transporters, whose operational costs are directly tied to fuel prices, thereby supporting logistics efficiency and national supply chains.

In contrast, petrol prices remain unchanged at Rs264.61 per litre, reflecting the government's calibrated strategy of maintaining stability in urban fuel costs while providing targeted relief where demand is most sensitive. This cautious approach ensures that households and businesses alike continue to have predictable energy costs amid ongoing global oil market volatility.

“This price adjustment demonstrates the government's responsiveness to market conditions and its commitment to supporting economic stakeholders without overburdening public finances,” said an energy analyst. “Diesel, being a critical input for transport and industry, has been prioritized to keep inflationary pressures under control.”

The move follows a forecast by Optimus Capital Management, which predicted substantial decreases in petroleum product prices for the fortnight commencing August 16, based on OGRA's data. In the previous review, petrol had been reduced by Rs7.54 per litre, while diesel was marginally increased by Rs1.48 per litre, illustrating the government's flexible pricing strategy responsive to both domestic consumption needs and international oil trends.

Overall, the government's latest pricing decision is expected to ease operational costs for businesses, provide relief to transport-dependent sectors, and reinforce economic stability, all while maintaining energy sector sustainability. It signals a pragmatic and market-aware approach that balances fiscal responsibility with citizen welfare, reflecting a governance model that prioritizes economic stability, growth, and predictable consumer pricing.