

Minutes of the Meeting

The meeting of All Pakistan LPG Distributors Association held at Zonal Office Lahore on 5th November 2020. The Meeting attended by following participants:

1. Mr.Malik Muhammad Iqbal – Chairman
2. Shaikh Mehmood Elahi – Sr.Vice Chairman
3. Khyzer Hayat – Vice Chairman
4. Mr.Haji Manzil Khan from Hazara Efficient Gas.
5. Mr.Atif Zameer (Business Manager GS-South) from Pakistan State Oil.
6. Mr.Imran Khan (TM-South) from Pakistan State Oil.
7. Mr.SM Omer from BYCO Petroleum Pakistan.
8. Mr.Asad ur Rehman from SSGC LPG.
9. Mr.Irfan Javed Warsi from Burshane LPG.
- 10.Mr.Numan Khan Distributor of PARCO.
- 11.Mr.Masroor Akber from Marshal Gas.
- 12.Mr.Mian Danish Javed from Al-Azeem Petroleum.
- 13.Mr.Asghar Ali from Al-Azeem Petroleum.
- 14.Mr.Shahid Elyas from ASS LPG Distributor.
- 15.Mr.Salahuddin from Ravi Gas.

1. The meeting started with recitation of Holy Quran by Mr.Zahid Ahmed.
2. Mr.Malik M.Iqbal presided the meeting and inform all the members regarding the functioning of APLPGDA and its attribute towards promoting the trade and industry by maintaining liaison with the relevant government authorities. He also ensure that all the recommendation and suggestion will be forwarded to Ministry of Petroleum and Natural Resources and OGRA.
3. Shaikh Mehmood Elahi discussed the main agenda points of the meeting which included the LPG Policy and suggestions on the policy draft, he also discussed the following points:
 - i) To discuss and seek advises from members on proposed LPG Policy.
 - ii) Cross filling of cylinder by certain LPG marketing companies.
 - iii) Proposal for registration of LPG distributors by OGRA.
4. The Mr.Khyzar Hayat gave a detail presentation on the LPG Policy and pointed out the clauses 3.1.1, 3.4.1, 3.4.3, 3.6.6, 3.6.9 mentioned in Policy draft as these clauses were affecting various stakeholder involve in the supply chain of LPG.
5. Mr.Malik M.Iqbal also appreciated that this Association represents all the stakeholders of LPG Industry including Producers, Importers of LPG, Marketing Companies in Public Sector, Marketing Companies in Private Sector and Distributors of various marketing companies. The reason to bring all these stakeholders under one umbrella was to develop consensus on the LPG Policy by all the stakeholders representing the various segments of supply chain involve in LPG business.

AGENDA POINTS

MARGIN OF LPG MARKETING COMPANIES

All the members of the Committee supported the price regulation by enlarge as they were of the view the advantages of the deregulation policy in the past were never pass to consumer of the LPG. They were also of the view that the producer price should be delink from the CP price so that the prices of Local LPG should be considerably decrease and the margin of all the stakeholders involve in LPG should be ensure and to justify their respective investments.

All the members were of the view that the margin of marketing companies should be around Rs.25,000 to Rs.30,000/- per MT which does not includes the margin of the distributor. The distributors attended the meeting were of the opinion that their margin should around Rs.15,000 per MT which includes the margin of sub-distributors also. This Rs.15,000/- per MT margin should be over and above the Rs.25,000/- per MT margin of LPG Marketing companies.

The member also appreciated the instance of the Honourable Minister of Petroleum and Natural Resources for the refund of Signature Bonus from the LPG producers.

CROSS FILLING

All members of the committee strongly endorsed that the cross filling is one of the biggest factor for the decline of LPG trade. All the members strongly supported that on a single instance of cross filling the license of the filler should be cancel permanently by OGRA. However one member of Hazara Efficient Gas Mr.Hanzil Manzil Khan and the representative of the distributors association were of the view that if cross filling need to be eliminated from the industry the marketing companies should change their policy in term of pricing and to invest in cylinders.

REGISTRATION OF LPG DISTRIBUTORS BY OGRA

All members of the committee strongly recommended that all distributors should be registered in OGRA and as well as in FBR. Some of the member includes SSGCLPG, Marshal Gas and Al-Azeem Petroleum also suggest that the distributors should also get license from Explosive Department, and the compliance of the safety perimeters at distributors premises should be monitor by OGRA and Explosive Department. The representative of the Distributors Association suggested that if OGRA ensure their margins they are willing to get themselves registered.

LEVEL PLAY FIELD FOR PUBLIC AND PRIVATE LPG IMPORTER

All the members of the committee supported that there should be a level play field for public sector importers as well as for the private sector for import of LPG. Determination on the quantity of imported LPG to meet the gap between demand and supply is a feasible proposition however, public sector companies will be having a advantage of subsidy, will be again against of competition regulation as private sector licensed marketing company will be not having subsidy and simply cannot compete with the public sector companies in terms of importing LPG into Pakistan. The subsidy on import should be given to all the licensed marketing companies to have a level play field. Public sector subsidized imported LPG should be distributed through licensed marketing companies so all the stakeholders should get the advantage of subsidized products and improve their supply chain.

FURTHER ALLOCATION

Any future allocation by the producer should be bases on a mutual agreed formula which should be formulated by the committee comprising of producers, LPGAP reps, OGRA rep and Ministry of Petroleum representative and the same formula should be applied for all future allocations.

CLAUSE 3.6.9 OF THE LPG POLICY

In the end this point was discussed briefly and all the members were of the opinion that this clause is not practically possible to implement. This point needs a clear course of action that how come the supply chain will differentiate the local and imported LPG to be supplied to various sectors respectively.

The representative of Hazara Efficient Gas has recommended that the FBR should give exemption in income tax on import of LPG.

The acting chairman gave vote of thanks to all the members for attending this important meeting and appreciated their valuable recommendations for the betterment of trade

Secretary General

Chairman