

Press Release

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Fuel price reduction an election gimmick- Tissa

While claiming that the announcement of a reduction in fuel prices and electricity tariffs was an election gimmick, UNP General Secretary Tissa Attanayake said today that the government could in fact reduce the prices of petrol by Rs. 24 a litre, diesel by Rs. 15 and kerosene by Rs. 35 if the tax imposed on them was reduced by 50%.
“We agree that the Ceylon Petroleum Corporation (CPC) should earn a profit. But it is unfair for the government to impose heavy taxes on fuel just to cover up its corruption and unnecessary expenses.

The government imposes a tax of Rs. 48 on a litre of petrol and Rs. 30 on a litre of diesel. If government taxes on fuel were reduced by 50%, the price of a litre of petrol, diesel and kerosene oil can be reduced by Rs. 24, Rs. 15 and Rs. 35 respectively,” Mr. Attanayake said adding that Sri Lanka was the only country that imposes the highest taxes on fuel in the world.
“Fuel prices in the world market have come down continuously in the recent past. India has reduced fuel prices five times in line with the world market price reduction but the CPC did not reduce fuel prices,” he said.

Mr. Attanayake said the government had to reduce fuel prices and electricity tariffs to divert the people’s force which was rising against the government in the Uva province.
He alleged that an agreement was signed by the cabinet last week to purchase petrol from two Singapore companies for the next six months without calling for tenders. “The CPC has to pay an extra Rs.2.20 a litre of petrol because of this agreement,” he said.
He asked as to why the government was unable to reduce electricity tariffs by 50% after opening the Norochcholai Coal power Plant as it promised earlier and to reduce the fuel surcharge.