

## Establish Khilafah and Liberate the Muslim World from the Negative Effects of International Oil Price Fluctuations

### News:

Pakistan: To meet IMF conditions, the government has increased the Petroleum Levy (PL) on petrol and High-Speed Diesel (HSD) by Rs 13.91 per liter each. This move is expected to worsen cost-push inflation, which is already under pressure. The weekly Sensitive Price Index (SPI) surged by 15.16 percent year-on-year for the week ending May 7, primarily due to rising fuel costs. [\[Business Recorder\]](#)

### Comment:

On July 1, 2025, the price of petrol was at Rs. 266.79 per liter and high-speed diesel was at Rs. 272.98 per liter in Pakistan. In the current fiscal year, 2025-26, the target of collection PDL is Rs1.468 trillion but IMF projected Rs 1.311 trillion Petroleum Development Levy (PDL) collection. When the US attacked Iran on 28<sup>th</sup> February 2026, retail prices for petroleum products in Pakistan were Rs. 258.17 per liter for Petrol and Rs. 275.70 per liter for High-Speed Diesel (HSD). The share of the Petroleum Development Levy (PDL) in this price of petroleum products was at Rs 84.40 per liter for petrol and Rs 76.21 per liter for High-Speed Diesel (HSD).

After the war broke out between the US America and Iran and subsequent closer of Strait of Hormuz, the international prices of petroleum products started increasing of Brent crude US\$73.19 per barrel and went up to US\$115 per barrel, but at the moment it is US\$110 per barrel. The increase in international price of oil provided an excuse to the government to increase the price of petroleum products. So, now at this moment the price of petrol and diesel is 410 Rs. per liter.

On February 28, 2026, the Petroleum Development Levy (PDL) share in the retail prices was set at Rs. 84.25 per liter for petrol and Rs. 76.21 per liter for Diesel. On May 18, 2026, the PDL is set at Rs. 117.41 per liter on petrol, and Rs. 52.00 per liter on diesel. And the PDL is not the only tax on petroleum products. The total tax on petrol is Rs. 144.26 and on diesel is RS. 95.35.

At a time when the international price of oil is going up, the government did not abolish or slash taxes on petroleum products. Instead, it increased the PDL to meet the demand of the International Monetary Fund (IMF), so that the budgetary target of collecting Rs. 1.468 trillion can be met. Neither the IMF nor the regime has shown any mercy towards the people of Pakistan, who have been crushed from rampant inflation for many years, to the point that many of those who can afford to leave the country, have done so.

The regime has been propagating that the stature of the country has increased many folds in the international arena, whilst the regime is rescuing its master, the US, from the humiliation of the US-Iran war by becoming a mediator. However, this so called increased in stature has no meaning when it comes to provide any relief to the people of Pakistan. Everyone knows that the IMF is a tool of US economic colonialism. The rulers have not even asked the US, their master, to grant them

concessions from the IMF, on the basis that they are providing a very important assistance to the US, when no other regime is ready to do such dirty work. There is no doubt the current military and political leadership is a slave of the US. A slave only abides by the commands of his master, and never dares to ask for any compensation for his services.

The PDL is a capitalist, regressive, universal tax, burdening the poor and indebted in a disproportionately severe manner, when compare to those who are wealthy. So, the solution is not eliminating or slashing PDL or other taxes on petroleum products. Instead, we need a totally radical alternative vision for oil and petroleum products, at a time when the price of petrol in Iran is just Rs. 8.12 despite sanctions and sieges. The radical vision includes the erasure of nationalistic boundaries between Muslim lands. It includes the unification of the lands from Morocco to Indonesia as a single Shariah political entity, the Khilafah (Caliphate).

The radical vision also includes implementing the Shariah ruling regarding oil. The Messenger of Allah (saw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ فِي الْمَاءِ وَالْكَلاِ وَالنَّارِ وَتَمَنُّهُ حَرَامٌ» **“Muslims are partners (shurakaa) in three: In water, pasture and fire.”** And Anas (ra) narrated from ibn Abbas (ra) who added, «وَتَمَنُّهُ حَرَامٌ» **“And its price is haram,”** and also what Abu Hurayrah (ra) narrated that the Prophet (saw) said, «لَا يَمْنَعُ الْمَاءُ، وَالنَّارُ، وَالْكَلاِ» **“Do not seclude water, pasture and fire.”** Fire is by the meaning of fuel (وقود waqood) which includes oil and petroleum products used to power vehicles and generators. The partnership (شراكة sharaakah) in ownership of all the Muslims in oil is because it is one of the collective utilities for the community (مرافق الجماعة muraafiq ul-jamaa’ah). It is indispensable to the community such that if it is unavailable the community must disperse to find it. So, in the Khilafah, oil is neither privately owned, where the private companies extract their profits, nor is it state owned, where the state imposes taxes as it wishes. Instead, oil and petroleum products are a public property, where the Muslim community benefits from either the commodity, or its price (ثمن thaman). So, the Khaleefah can provide oil and petroleum at low prices, whilst any profits are deposited in the baytul maal (بيت المال state treasury) to be spent on the needs of the community.

The Muslim World is blessed with immense oil reserves. Muslim countries account for roughly 35% to 43% of global crude oil production and control around 65% of the world’s proven oil reserves. Becoming one Ummah under the Khilafah will not only secure the liberation (تحرير tahrir) of Pakistan from economic colonialism, but also the whole Muslim world. We must not confine our worship to merely make Dua for the end of the conflict between US and Iran, so that oil returns to 70 dollars per barrel. Instead, we must all strive with Hizb ut Tahrir (حزب التحرير Party of Liberation) to establish the Shariah ruling governance, the Khilafah Rashidah (rightly guided Caliphate) State, so that all our affairs are governed by all that Allah (swt) has revealed.

**Written for the Central Media Office of Hizb ut Tahrir by  
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