

ABSTRACT

Counterfeit petroleum is petroleum that is distributed and sold using illegal means like theft and smuggling. Counterfeit petroleum is below the industry standards of the country and can be detrimental to Oil Marketing Companies' (OMCs) business and their reputation. It can incur losses to the government and customers. The counterfeit petroleum product market is a growing problem and this research explores the impacts of the booming counterfeit petroleum product market on the business of legitimate OMCs and the risk faced by customers, companies, and the government. The qualitative approach is used for this study. Interviews are conducted with the 10 participants who are employed in the OMCs of Pakistan. Participants for the interview are selected using the snowball technique due to the sensitivity of the issue. Interviews are conducted with the Area sales managers, Head of Operation, Regional Sales Manager, and Engineer. Thematic analysis is conducted to identify useful themes from the interview transcript. This research also identifies the risks using the Risk Assessment Matrix (RAM) which is a qualitative tool. It is used to categorize high-, medium-, and low-risk incidents with the help of the probability and consequence of a certain event. The result shed light on the organizational risks as well as the complicit role of consumer behaviors, specifically the lack of awareness and a willingness to use substandard fuel, in fostering the growth of the counterfeit market. Moreover, the study reveals the significant financial losses incurred by the government due to tax evasion, exacerbated by a lack of stringent penalties against counterfeiters.

Keywords: counterfeit, OMC, petroleum, Pakistan, counterfeit petroleum, Oil marketing companies