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### **Burning the candle at both ends, but still no light in sight**

LAHORE: Since its inauguration, this government has done nothing but firefighting and a year later every sector of economy has slipped into survival mode by going into hibernation until this downtime is over.

The decisions taken at the highest level are implemented only after everything is in black and white. The federal government for instance notified that the five exporting industries would get gas at \$6.50 per mmcf (Punjab only as gas is cheaper in other provinces) and power (nationwide) at US cent 7.5/unit.

Since the actual tariffs are much higher the federal government agreed to pay the differential through subsidy that has been approved by the National Assembly in this year's budget as well as in last year's mini-budget. This decision was very much appreciated by the exporting sectors.

The ground reality is that the exporting industries are being billed at the original rates that are 70 percent higher in case of gas and 25 percent in case of electricity.

On average a mill (with 250,00 spindles) consumes monthly gas worth Rs2.5 million on cabinet approved subsidised rates, but it is being billed around Rs4.25 million at original tariff. Similarly in case of power it is billed 25 percent higher than agreed tariff.

Naturally the exporting industries protest inflated bills but the gas and power suppliers point out the government has not yet provided the subsidy to them. Most exporters then go to the courts and show the government notifications and commitment.

The courts grant them relief on monthly basis. This exercise is repeated every month. The exporters are thus in a firefighting mode moving to the courts every month and meeting the concerned federal government officials in Islamabad to release the subsidy. The federal government might have released a part of subsidy but the entire amount is yet to be paid.

The gas and power distributors fear that if they issued the bills at subsidised amount they would be targeted by the National Accountability Bureau. So the stalemate would persist till the federal government ensures that the allocated subsidies are timely released.

This uncertainty is impeding further investment as well because though the exporters have been verbally assured that the subsidised tariffs would last for the entire duration of Pakistan Tehreek-e-Insaf (PTI) tenure but officially the subsidised tariffs are approved for six months only.

The exporters would therefore be consuming most of their productive time in ensuring this facility lasts long-term and the subsidies are released timely.

Bureaucrats are reluctant to take any decision on their own. They wait for written orders from their superiors. If some still insist on doing what is ordered they send the case to the law division for advice. In some case they also consult National Accountability Bureau (NAB) on the legality of the orders. This is inadvertently delaying all decisions. Everyone, whether in the government or in private business, is trying to save his/her neck.

The NAB has a reputation of making a case where none actually exists. One glaring example in this regard is that of a very large textile mill in Gadoon that during the Musharraf regime operated its furnace oil power plant to supply electricity to the national grid. It was done because at the height of power shortage the Musharraf government asked every industry having furnace oil generators to operate them and supply the power to the national grid.

Years later NAB accused the Gadoon-based mill of cheating the government by supplying high cost power produced from furnace oil to the national grid while buying power from the state at a very cheap rate.

The mill administration pleaded that this was done by every mill on the request of the government when there was power shortage. None of the mills in other provinces were persecuted because they had helped the government. None used that power in their own mill because it was not commercially feasible and they closed the facility and started buying cheaper power from the state.

This explanation could not satisfy the NAB officials in Peshawar and they put the chief executive and chief financial officer of the company in the NAB lockup. They were released when the company agreed to pay Rs1 billion as penalty to NAB and affirm assurance that they would not pursue the case in any court. With so much powers and powers to keep an accused in custody for 90 days every businessmen and bureaucrat shivers at the thought of coming under NAB radar.