

Generator sales decline amid improving power supply

KARACHI: The demand for power generators remained depressed this season owing to steep price hike on account of rupee devaluation and improvement in electricity supply across the country, said dealers of power machines.

They also cited diminishing buying power of consumers amid rising inflation taking its toll on overall sales volume.

Also the frequent rise in petrol, diesel and gas prices has made it infeasible for many to rely on these machines for electricity, they added.

‘Generator market has no buyers in this year’s summer season,’ owner of Sikandar and Co, Sikandar Shahzada said, attributing the lull in demand for generators to 40 per cent hike in prices.

‘The overall market sentiments have been depressed this year amid weak purchasing power of consumers triggered by high food inflation,’ he added.

President Site Association of Industry (SAI) Saleem Parel(h said demand for generators in the Site industrial area remained subdued on the back of improving power supply from K-Electric.

He said most of the production units are already equipped with power generators which they did not utilise due to improved power supply during the season.

Pakistan Machinery Merchants Group President Khurram Saigal said generator prices have risen by 30pc in the last twelve months due to rupee depreciation.

‘Portable generator sales for households and shops have plummeted by 75pc in the summer season,’ he said adding that load shedding in many areas had disappeared, while people are gradually shifting towards solar energy options.

However, it is hard to operate portable generators now in view of high diesel, petrol and gas prices.

‘If the load shedding is going on in low-income group areas then people cannot buy generators due to their low buying power,’ he said.

He claimed that power supply situation has also improved in Punjab after start of new power generation plants. Punjab had remained a very big market for generators.

Khurram said an average quality Chinese 2.5KVA generator now costs Rs35,000-36,000 as compared to Rs25,000-26,000 a year back while a branded Chinese brand now sells for Rs50,000-55,000 as against Rs40,000.

As per data published by the Pakistan Bureau of Statistics, imports of power generating machines during the last fiscal year decreased by 52.6pc to \$1.262 billion.

However, Saigal said demand for big power generators of 25KVA to 100KVA capacity still exists as they are being rented out for big events as a stand-by arrangement.

He said sales may remain depressed in case power supply in the country improves further.

Besides, working environment after the budget 2019-20 is getting from bad to worse owing to CNIC condition and other taxation measures which is likely to dent the demand further.

He said the government has done nothing to provide relief to consumers.

F.B. Area Association of Trade and Industry President Khursheed Ahmed said power supply in the area has slightly improved during the last year, resulting in massive decline in the unannounced load shedding of longer duration and pushing down demand for generators in the area.

As per the Economic Survey 2018-19, during July-March FY19, the country's electricity generation capacity increased to 34,282MW compared to 33,433MW in corresponding period last year.

Although electricity generation varies due to availability of inputs and other constraints, the generation increased from 82,011GWh to 84,680GWh; a growth of 2.1pc during the period.

Currently, thermal occupies largest share in the country's total electricity generation mix.

On the other hand, R LNG's tremendous growth in energy mix has helped meet demand at various power plants including Bhikki, Haveli Bahadur Shah, Balloki, Halmore, Orient, Rousch, KAPCO, Saif and Sapphire in addition to meeting the demand from fertilizer plants, industrial and transport sector.

The increase in the share of industry in electricity consumption is a positive sign showing revival of industry which was suffering earlier due to load shedding, the economic survey said.

By Aamir Shafaat Khan