

RECORDER REPORT

APTMA wants electricity at flat 7.5 cents/kWh rate

LAHORE: All Pakistan Textile Mills Association (APTMA) leadership Friday demanded reconnection of mills and electricity supply at the committed tariff of 7.5 cents per kWh to the export-oriented industry.

The leadership addressed a press conference at the Aptma Punjab Office. Central Chairman Aptma Dr Amanullah Kassim Machiyara, Chairman Aptma Punjab Adil Bashir and Group Leader Aptma Gohar Ejaz spoke to the media.

Central Chairman Aptma Dr Amanullah Kassim Machiyara said the industry was planning new investment despite the prevailing liquidity crunch due to stuck up refund claims. He said an increase in energy price after withdrawal of electricity supply at flat rate of 7.5 cent has panicked the industry.

It may be noted that Gohar Ejaz received information during his press talk that Prime Minister Imran Khan has taken notice of the countrywide electricity supply disconnections and issued directions to all the distribution companies that no further disconnections should take place. He said a delegation of Aptma would go to Islamabad to hold meetings with concerned authorities next week.

Chairman Aptma Punjab Adil Bashir said the government should fulfill its commitment of providing regionally competitive energy, i.e. electricity at 7.5 cent per kWh. He stated due to the government's commitment of providing 7.5 cents electricity tariff led to an increase in textile exports whereas the garment exports increased by 35 percent in the last four months.

He said the government has imposed various surcharges after the withdrawal of zero-rating alongside GST and income tax. The industry has also been burdened with Quarterly Tariff Adjustments (QTA) besides introduction of the Additional Distribution Surcharge to the industry retrospectively from 1st of July. The export-oriented industry relying upon electricity supply throughout Pakistan has been burdened with approximately 30 to 35 percent additional surcharges added to the electricity bills retrospectively, he added.

He said due to the government's export-friendly policies, the industry took new investment initiatives which are in the pipeline. The decision of imposing additional surcharges despite the commitment given by the prime minister has put all new investments at a halt in the country. Only an assurance of constant energy supply in its remaining period, the industry would materialize new investments, which are in doldrums at present.

He appealed to the prime minister to intervene immediately and restore the confidence of exporters to invest in new projects.

Gohar Ejaz said better policies of the government have stabilized the economy and investors were planning to set up almost 100 new mills but the government has suddenly increased the energy cost. The energy share in the conversion cost has reached to 40 percent, he added.

He said the industry was in a state of shock and the investors' confidence has been shattered by and large. He warned that the employment scenario would be badly suffered with a slowdown in textile industry productivity.

He said inexpensive energy price would affect exports and employment that would ultimately contribute to the inflationary pressure in the country.