

RECORDER REPORT

**Power tariff enhanced by 70pc for Punjab export industry**

LAHORE: The power distribution companies (DISCOs) have raised their electricity tariff for the Punjab exporting industries, charging them up to Rs20 per unit from the earlier rate of Rs10.62 per unit by imposing various levies and taxes.

The DISCOs in Punjab, including Lahore Electric Supply Company, has started charging their industrial consumers different taxes from July electricity bills, including Income Tax, GST, GST Deferred Amount Excise-Duty, Quarterly Tariff Adjustment and Extra Tax.

The President of All Pakistan Business Forum (APBF) Syed Maaz Mahmood in a statement on Saturday said that the LESCO has raised its power tariff for the export industry by up to 70 percent, costing the manufacturers about Rs20 per unit though the NEPRA had allowed the government to increase the tariff to Rs12.33 per unit from Rs10.62 per unit.

He urged the government to take action against the power distribution companies for creating uncertainty by loading the industry with additional levies and taxes. He pointed out that the manufacturing sector of Punjab is already overburdened with the high rate of taxation and can't sustain additional tax burden. Therefore no additional tax should be imposed on it, as it would lead to de-industrialization and drop in the GDP growth, he said.

He said that Pakistan has been losing major share of its international market, as the high energy cost has made the Punjab industry more expensive. He lamented that the full potential of GSP plus is yet to be achieved despite the fact that the facility has been in place for the last five years.

It is unfortunate that Pakistan's exports to the European Union remained flat during the last four years despite waiver of duties on several products under the Generalised System of Preferences Plus mainly due to high energy cost. Since 2016, the exports proceeds have remained stagnant at €6.30 billion in 2016, €6.69 billion in 2017 and €6.88 billion in 2018, he said.

Rejecting the massive increase in electricity rates, which had been notified for implementation from new fiscal year of 2019-20 under an agreement with the International Monetary Fund, the APBF President said the cost of doing business continued to increase manifold, leading to constant decline in exports and high trade deficit.

He said the export sector was already facing unbearable costs of manufacturing, which were very high as compared to the regional competitors. He said that due to the high cost of doing business, inadequate supply of raw material, drastic increase in interest rate and liquidity constraints owing to delay in refunds the industry is already on the verge of closure.

He demanded of the government to save the export-oriented industries and Pakistan from complete disaster by not increasing the power prices. He also asked the government to instruct the companies to control their losses in accordance with the international best practices and reducing other expenses with better management instead of sending inflated bills to their consumers.

He said that the government had announced an increase in electricity prices by Rs1.50 per unit and gas prices by up to 168 percent in July, but the companies have increased their tariff by about 70 percent though they have no authorization in this regard. He said the industry is contributing to its role in national exports in addition to providing jobs to millions of workers.