

Worsening crisis

One ship's failure to berth at the Karachi port has the potential to further worsen an already serious gas shortage in the country. This should raise questions about how precariously placed Pakistan's gas sector's position is. Already the gas prices hike has triggered serious questions about the management of gas supply in Pakistan. One might be willing to accept an increase in prices if the government can ensure regular supply – but it is clear that planning on this front remains far from adequate. The people were already undergoing planned gas loadshedding before poor weather now leading to one gas cargo ship refusing to berth on Monday. This has led to SNGPL reporting a shortage of around 400 million cubic feet per day in LNG supplies, which is likely to go down further in the week depending on weather conditions. Government officials have admitted that the situation is serious, but the refusal to plan in advance is what is most confounding. It is still hard to forget how a petrol shortage was created in the country after a reduction in global oil prices a few years ago.

The principle is fairly simple: in order to keep an economy running, the supply of power has to be ensured. If the current government wants to create a new round of investments in the country, it is clear that it will have to start with letting businesses trust in the government's ability to ensure regular fuel and power supplies. The gas sector is one of consistent neglect, despite over two decades of warnings that Pakistan's local gas supplies were running low. Project after project has been started, agreements have been inked, pipelines inaugurated, but none of them remain functional. Even the LNG import route remains inefficient at being able to ensure regular gas supplies.

Right now, the gas shortage has been transferred to power plants, fertiliser plants, industry and the power sector, with residential and commercial consumers next on the list. With the weather conditions not likely to improve till the end of the week, this means that the shortfall could increase by another 600 million cubic feet per day. This is criminal management at the helm of the gas companies, who are the first in line asking for a hike in prices, and the last to take responsibility for a failure to maintain a reliable supply of gas. Gas is essential not only to ensuring food on the table, but also for the power sector and industries in the country keep running. That one ship failing to berth can make it even worse is unacceptable.

Editorial