

Foreign LNG firms to invest \$500m without off-take guarantees

ISLAMABAD: A parliamentary body on Wednesday was informed that international companies investing in liquefied natural gas (LNG) will bring in roughly \$500 million foreign direct investment without any financial subsidy and off-take guarantees from the government which earlier placed unnecessary financial burden on the state.

During the meeting of Standing Committee of National Assembly on Maritime Affairs, members inquired about the details of two new LNG terminals. Members were briefed that \$10 million was being paid for the land alone. The basic premise of LNG imports over the past decade had been to reduce import bill through substitution of expensive furnace oil. Its introduction would also increase power sector efficiencies and lower carbon emissions.

The committee was informed that previously the government had committed to pay roughly \$250,000 per day per terminal for Rental and ReGasification charges that would cost the government some Rs420 billion over 15 years.

Members were also informed that the government was not giving any Rental and Regasification charges or any off take guarantee in any form for new LNG terminals.

The committee members noted that the terms on which two new LNG terminals are being installed at Port Qasim were an excellent initiative by the Ministry of Maritime Affairs (MoMA).

The members were also briefed about the ministry's participation in the International Maritime Organisation (IMO).

According to the officials from the ministry, it was the for the first time in the history of the country that a federal minister not only addressed representatives from 88 countries but also solicited the case of Pakistan effectively.

Secretary Maritime Affairs Rizwan Ahmed informed members that Pakistan was appointing a permanent representative in IMO and was planning to contest the elections in 2021. Pakistan's significance in the context of global and regional maritime affairs came under discussion.

The meeting was informed that Pakistan could provide a new dimension to the international maritime trade by linking various nations with Central Asia, South Asia and Middle East via sea route.

The committee members were also made acquainted with Indian Ocean Tuna Commission conference held in Pakistan hosted by MoMA and initiatives that will bolster deep sea fishing increasing presence in the global seafood market.

Members had taken notice of the rapidly depleting stocks of fish in Pakistan. They learnt that while all the management and regulation of local fishing boats is being done by the provincial fisheries departments of Sindh and Balochistan, there were no mechanisms in the provinces to monitor fishing activities of the local fishing boats.

Participants also observed that majority of the fleet of fishing boats was not sustainable and in this regard regulation and imposition of proper fishing gear was required.

While the major cause of depletion identified was irregular fishing, members also emphasised on reviewing fishing policy, and education of local fishermen on depleting stock of fish in Pakistan. Members also suggested placing tracking devices on boats.

Among some of the recommendations were imposing strict ban on irregular fishing gear in order to check rapidly depleting fish stocks. It was also proposed that while registering boats, the concerns of indigenous fishermen should be addressed.