

Power sector, Govt to make consumers pay for 'inefficiency': TMAP

KARACHI: Ministry of Finance has made clubbed amendments to the NEPRA Act with the Finance Bill 2020-21 to get it passed before July 1, 2020 as per agreement with the International Monetary Fund (IMF) aimed at empowering the regulator to pass on the cost of the inefficiencies of the power sector to the consumers through imposition of the Debt Servicing Surcharge (DSS), says a press release issued by the **Towel Manufacturers Association of Pakistan**. The benchmark of transmission and distribution losses are 4.30% annually, but a NEPRA report, published in 2018, showed 20.4% T&D losses, which means T&D losses ratio to be five times higher than that of the benchmarks. On the other hand, SSGCL and SNGPL benchmarks for unaccounted for gas (UFG) are 7.3% while both gas supply companies showed that their UFG losses are 12% to 13% annually.

The Towel Manufacturers Association of Pakistan said that it would like to draw the attention of the prime minister as well as the authority concerned to the fact that inefficiency of different entities put a financial burden on the consumers and on the national kitty.

During the tumult of COVID-19, the industrial sector is the main victim of the situation. Nevertheless, the industrial sector is the only sector that can reduce the effects of COVID-19 on the national economy.

The coronavirus has slashed economic activities by 50% and in some areas the economic activities have completely been halted. In the current scenario the government should step forward and take some special and remarkable measures for the manufacturing industry to make it flourish and support the industrial sector on all the issues. The export industry of this country has already been paying a high price for utilities as compared with some of the regional countries.

Despite the gloomy economic scenario, the government has imposed different types of charges through utility bills i.e. fuel adjustment charges, additional fuel adjustment GIDC, ISPA charges etc. on the export industry. Now, the government is going to make amendments to NEPRA Act to pass the cost of inefficiencies of the power sector on to the consumers through imposition of the debt servicing surcharge (DSS).

The Towel Manufacturers Association of Pakistan urged the government not to impose unjustified DSS charges on the industry, especially the export-oriented industry.

The textile industry is facing a deep financial crunch due to their various refunds — sales tax refunds, custom drawback, DLTL, DDT, etc. — being stuck with the FBR.

The Towel Manufacturers Association of Pakistan appealed to the government to avoid putting further financial burden on the industry, especially the export-oriented industry. The government should adopt corrective measures and make the textile industry competitive in the region.—PR