

Industrialists irked by planned tariff hike

Request PM to reconsider it in view of ongoing financial crisis

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Industrialists have expressed concern over government's proposal to increase power and gas tariffs and requested Prime Minister Imran Khan to reconsider it in view of ongoing financial crisis triggered by the Covid-19 pandemic.

In a meeting of industrialists held at the SITE Association of Industry to deliberate on the recent press conference of Special Assistant to PM on Petroleum Nadeem Babar, they voiced fear that a further rise in tariffs could disrupt industrial production.

SITE Association Patron Zubair Motiwala highlighted that the press conference

failed to point out the reasons behind the accumulation of circular debt. According to him, the prime reason behind the soaring circular debt was mismanagement, theft, line losses and cross-subsidisation.

On multiple occasions, the prime minister had requested the business community to enhance investment in a bid to create employment and increase exports while promising cooperation of every kind, said SITE Association President Abdul Hadi.

However, it seems that the press conference was held with complete consent of the prime minister and an upward revision in industrial tariff has been suggested to resolve the problem of circular debt.

He called on the premier to understand that the circular debt did not accumulate because of the industry as it paid more than 98% of its dues and unaccounted-for-gas (UFG) losses from the industrial

sector amounted to less than 2%.

"On the other hand, UFC losses, theft and pilferage from other sectors are massive and in the domestic sector, they account for around 40%," he said.

Pakistan Apparel Forum Chairman Jawed Bilwani said Pakistan's regional competitors were being charged competitive energy rates, which had fallen by more than 50% over the past two years.

On the other hand, industries in Pakistan were turning uncompetitive at a rapid pace compared to regional rivals due to high tariff rates, he said.

SITE Association former president Saleem Parekh termed it surprising that the actions of ministries were in contrast with the vision of Prime Minister Imran Khan.

"When the government talks about increasing tariff rates, the industry becomes alert because it is paying the dues of other sectors," he said.