

### **ECC forms committee to get rid of circular debt**

ISLAMABAD: The Economic Coordination Committee (ECC) of the cabinet on Wednesday constituted a committee to work out solutions to ballooning circular debt that is causing liquidity shortage in the crippled power sector.

The ECC took the decision during a meeting presided over by Adviser to Prime Minister on Finance Hafeez Shaikh.

The committee comprises representatives from finance, power, petroleum, planning divisions, Securities and Exchange Commission of Pakistan, Oil and Gas Regulatory Authority, Oil and Gas Development Company, Pakistan State Oil, Sui Northern Gas Pipelines Limited, Pakistan Petroleum Limited, Government Holdings (Private) Limited, and Pakistan LNG Limited.

The committee was tasked to prepare a proposal on modalities for clearing the circular debt of the petroleum division. The committee will prepare a well-rounded proposal in a month and submit before the ECC.

The officials were directed to holistically consider the issue of circular debt and work out the solution.

Circular debt in the power sector crossed Rs2 trillion as of June this year due to higher losses, power theft, inefficiencies and low recovery of bills from consumers by power distribution companies. This high debt level means serious liquidity issue in the entire energy chain, leading to frequent power outages.

The meeting was further told the Trading Corporation of Pakistan (TCP) opened a fresh tender to import 110,000 tons of wheat, taking the finalised deals of the state-owned company to more than 700,000 tons.

Officials of the ministry of national food security and research told the meeting that it opened the 6th tender for 110,000 tons of wheat and after price matching the total picked up quantity would reach 320,000 tons.

They said there would be sufficient availability of wheat in the country by January 2021 and with the increase in supply, the prices would be lowered eventually.

TCP finalised deals to import 660,000 tons of wheat while it was given a target of 1.5 million tons. TCP's two cargoes, carrying 100,000 tons of wheat, have arrived in Pakistan. TCP's first wheat consignment of 55,125 tons was arrived on October 7 and the second shipment of 55,000 tons arrived on 8th October. Wheat production is expected at 25.2 million tons for this year with shortfall estimated at 1.6 million tons.

ECC also enhanced the quota of Gilgit Baltistan by another 10,000 tons of wheat from 150,000 tons to 160,000 tons. The modalities for increased quota will be decided later.

ECC approved technical supplementary grants for the National Accountability Bureau, ministry of health for immunization program and ministry of religious affairs on account of Hajj expenses and for anti-narcotics force.