

Suppliers refuse warranty of machines operating on grid supply: millers

LAHORE: The industrial units designed on continuous process are unhappy over the government decision of shifting their energy supplies to grid, saying that most of the machinery suppliers refuse warranty of machines operating on grid supplies.

Talking to Business Recorder, Muhammad Arshad Ch, Convener of Export Committee at the Lahore Chamber of Commerce & Industry, pointed out that most of the suppliers remain reluctant in offering warranty of machines set to be operating on grid supply because of frequent interruptions in power supply. An absence of uninterrupted power supply from grid is a permanent cause of concern for the industry, he said, and added that one exporter has reported to the committee that a power jerk in the month of January was so severe that it had burnt the main panel of his machinery, leading to closure of mill for next two days while leaving 1200 workers out of work. Besides, the repairing work had cost the mill Rs2.5 million.

It may be noted that the cabinet committee on energy has approved discontinuity of gas supply to the Captive Power Plants from 1st of February 2021 to non-export and from 15th of March 2021 to the export-oriented industry and finally the industry having co-generation facility. The whole process is likely to be completed by December 2021.

Tanvir Sh, another exporter, feared that the industry would be able to operate only 75 percent of their existing capacity if all the mills are shifted to grid supply in the coming summer. Most of the grids are facing capacity constraints and repeated jerks in power supply would affect both quality and quantity of production. It would hit total export production and GDP may fall as much as 15 to 25 percent if the whole industry is shifted to grid, he stressed.

Adil Mahmood, who has already closed down his unit due to the unaffordable tariff a few years back, said each jerk of power supply means an interruption in production process for 30 minutes besides other electronic damages. The industry would be pushed back to the Stone Age, he apprehended.

Another miller was of the view that the millers would have to sell the latest efficient machinery and buy second hand Chinese machinery of 1990s model because the latest machinery is too sensitive to run on grid.

One former employee of Lahore Electric Supply Company (LESCO), requesting anonymity, said the owners of steel re-rolling mills had approached the LESCO management back in 2016 requesting to provide uninterrupted eight hours a day power supply so that they could process their production without a break. They were of the view that repeated jerks on power supply affects the productivity of furnaces as they get cold and hot time and again, eventually affecting the strength of the under-processed steel. They were even ready to cut down their shifts from three to one to achieve quality of the product.