

### **Five zero-rated industries to be supplied uninterrupted RLNG**

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet Tuesday postponed an increase in power tariff and decided to ensure uninterrupted supply of RLNG (Re-Liquefied Natural Gas) to five zero-rated sectors of industry from December to February.

The five zero-rated sectors are textile, carpets, leather, sports and surgical goods. These sectors would be provided with domestic and imported gas fifty-fifty after February. The committee that met here with Finance Minister Asad Umar in the chair approved a mechanism to ensure enhanced supply of domestic gas to five zero-rated sectors of industry.

It was decided that these sectors would be given priority in allocation of gas on a par with the power sector. These industries would be supplied with RLNG during the three winter months (Dec-Feb) when the domestic sector's demand for gas would be at its peak.

During the remaining months (March-November), these industries would be supplied an equal amount of domestic gas and imported RLNG. Talking to journalists after the meeting, Minister for Information and Broadcasting Fawad Chaudhry said as the Minister for Energy (Power Division) was abroad, so decision on proposal for tariff increase was not taken. However, in next meeting the ECC would decide about it.

He said during the previous PML-N government the National Electric Power Regulatory Authority (Nepra) had determined electricity tariff by increasing it by 1.32 per unit and asked the government to notify it, but the decision was withheld.

He said some opposition leaders were claiming that in previous five years, they had installed power plants generating electricity at cheaper rates but the current electricity procuring/production cost was Rs15.53 per unit and it was being sold to consumers at Rs11.71 per unit.

He said the failure of government to increase power tariff led to an increase in per unit electricity price to Rs14.22 per unit. Additionally, the government was also giving net hydel profit to the provinces at Rs0.86 per unit and another Rs0.45/unit to the distribution companies and the cost had gone up from Rs12.90 and now its cost was Rs15.53 per unit.

This brought average electricity price to Rs15.53 per unit while the government is selling it to consumers at Rs11.17 per unit. This results a loss of Rs2.63 per unit and due to this, the government has to bear the losses of Rs1.2 billion a day in winter and Rs1.8 billion in summer for not passing on full price to the consumers.

The minister said that every month Rs34 to 36 billion added to power sector circular debt. He said the last one and a half year was worst in terms of electricity because the government had not implemented the recommendation of Nepra to increase the tariff.

Israr Khan