

KCCI gives 24-hour ultimatum to SSGC for gas restoration

President Karachi Chamber of Commerce and Industry (KCCI) Junaid Esmail Makda has demanded from Sui Southern Gas Company (SSGC) to restore gas supplies to industries, captive power plants and CNG stations in Sindh within 24 hours, otherwise, if SSGC fails to do so, its Chairman and Managing Director should immediately step down from their positions. Talking to media personnel at an urgent meeting held at KCCI on Wednesday which was attended by prominent industrialists and representatives from CNG sector, Junaid Makda warned that if gas supply to general industries in all seven industrial zones and CNG stations was not restored immediately, it will leave no other option for the business and industrial community but to stage a sit-in outside SSGC's Head Office.

Besides Junaid Makda, the meeting was also attended by Chairman of All Pakistan CNG Forum Shabbir H Sulemanjee, Senior Vice President KCCI Khurram Shahzad, Vice President KCCI Asif Sheikh Javaid, Dr Qazi Ahmed Kamal and KCCI Managing Committee Members.

Junaid Makda, while expressing deep concerns over abrupt suspension of gas supply to industries, captive power plants and CNG stations for indefinite period, urged the Federal government, particularly Prime Minister Imran Khan to honor his commitment made during his last visit to Karachi by issuing strict directives to SSGC for uninterrupted supply to industrial units and CNG stations in Sindh.

He also referred to KCCI delegation's meeting with Federal Finance Minister Asad Umer, Federal Minister for Petroleum Ghulam Sarwar Khan, Federal Minister of State for Revenue Hammad Azhar and PM's Advisor on Commerce Razzak Dawood in Islamabad in which the gas supply issue was discussed at length and KCCI's delegation was given assurances that gas would not be suspended yet the SSGC has suspended gas supply to industries and CNG station, which the business and industrial community was unable to understand.

"It was really disappointing to see that gas supply has been suspended by SSGC despite numerous assurances given from time to time by Prime Minister, PM's Advisor on Commerce and other Federal Ministers," he added.

"We, the business & industrial community of Karachi, are already suffering badly because of high cost of doing business therefore the suspension of gas to industries and CNG stations would not only prove detrimental for the business activities in Karachi but would also lead to worsening the economic crises because of Karachi leading role in country's economy, besides raising poverty and unemployment," he opined.

He said that KCCI's delegation, during the last meeting with Prime Minister at Governor House, also expressed deep concerns over Gas Infrastructure Development Cess (GIDC) issue which remains unresolved to date and also stressed that Sindh has the first right on its gas reserves under Article 158 of the Constitution of Pakistan. "Therefore, the gas being produced in Sindh should at first be supplied to the province and after fulfilling the requirement of Sindh, surplus gas should be passed on to other provinces in line with Article 158 of Pakistan's Constitution," he said, adding that any notification by SSGC simply cannot supersede the Constitution of Pakistan.

He was of the opinion that gas supply has been deliberately suspended in an attempt to pressurise the existing consumers to switch over to RLNG which was not a feasible option due to high cost. It was highly unfair to supply RLNG to Sindh which is blessed with sufficient gas reserves.

He requested the Prime Minister to take notice of gas suspension which is a sheer injustice not only to the industrial units and CNG stations but also to all the citizens of Karachi who use cheaper CNG for refuelling their vehicles and it is also largely used in public transport including buses and rickshaws which were gradually vanishing from the roads of Karachi due to non-availability of CNG.

He said that the business community was fairly optimistic that the Prime Minister Imran Khan would look into this serious issue and issue directives to SSGC to immediately restore gas to industries and CNG stations at adequate gas pressure so that both could smoothly run without any trouble.

He also expressed deep concern over OGRA decision to summon a public hearing on upward revision of gas tariff on December 18, 2018 which would further intensify the miseries for this particular sector and the masses.

Speaking on the occasion, Chairman of All Pakistan CNG Forum Shabbir H Sulemanjee pointed out that the CNG stations in Sindh hardly consume just 2 percent i.e. 70mmcf, out of total available 4,000mmcf gas for entire Pakistan.

He said that a total of 630 CNG stations with an overall investment of Rs 160 billion exist in Sindh, providing more than 400,000 direct and indirect jobs in the CNG sector and its allied industries. Therefore, gas suspension to this essential sector would raise poverty and unemployment, besides having a severe impact on the economy of the country keeping in view the huge amount of taxes being contributed by the CNG sector.

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