

Karachi industrialists announce factories shutdown for want of gas

KARACHI: Around half a million workers are likely to be unemployed as owners of over 3,000 units in Sindh Industrial Trading Estate (Site) have announced complete closure of their factories from Monday onwards in a protest against low gas pressure which has badly hampered production operations.

The decision was taken in an emergent meeting on Friday in which all members agreed to shut down their factories from Monday onwards until the problem of gas pressure is resolved.

The industrialists will also stage a sit-in in front of Sindh Governor House on Tuesday.

The country's largest industrial area accounts for more than 52 per cent of total exports and contributes 64pc to total tax revenues.

Site Association of Industry Chairman Saleem Parekh said the industry leaders have taken this extreme step as a last resort. He lamented that neither Sindh government nor the federal governments are paying any heed to the multiple complaints and appeals to resolve the issue.

More than half a million people earn their livelihood from the industrial units operating in the Site area, but with the current energy situation, it has become extremely difficult to run these units, he added.

He regretted that it is highly unfortunate that the industry engaged in exports is facing these extreme hardships as they are unable to meet the export schedules and use air route to deliver their shipments to their buyers.

He said that "as an exporter-cum-manufacturer, I have to take blame for delays in shipments. I cannot tell our buyers that we are suffering from energy crisis as it will earn bad name for the country in the international markets," Saleem Parekh lamented.

Industry leaders are perplexed as to why the Sindh government is unwilling to resolve the gas issue and remains reluctant to take up the matter with the Federal government under the Article 158 of the Constitution of Pakistan.

Mr Parekh disclosed that Site Association even asked the Federal Minister for Finance, Revenue and Economic Affairs Asad Umar to give the same subsidy to Sindh which is being provided to Punjab on RLNG price on weighted average mix. Sindh only requires 50 million cubic feet per day (mmcf) RLNG on subsidised price whereas Punjab is enjoying a subsidy on 200mmcf.

He mentioned that the Sui Southern Gas Company managing director has convened a meeting with industry leaders on Saturday to amicably resolve the gas shortage crisis. He said the industry does not want to go such an extent where it has to resort to shut-down or hold protest rallies.

Parekh said that if the issue of low gas pressure is genuine, the government must ensure efficient management and suggested that in order to improve gas pressure, industrial areas of the city can be put on gas holidays turn by turn.

On the one hand, inefficiencies of the utility companies are causing losses to the national exchequers by hurting export, whereas on the other hand, the government is allowing them heavy unaccounted for gas losses.

However, he said that to punish one industrial area with low gas pressure is not justified because all industries have to share the burden equally and this is the only way to protect country's exports, he added.

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