

Minister says energy issues impeding Punjab's industrial growth

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LAHORE: Three of the most pressing problems facing the industry in the most populated province of the country are uneven prices of gas, inadequate supply of electricity, and the mismanagement of industrial estates.

These views were expressed by Mian Anjum Nisar, the Punjab caretaker minister for industries and mineral development, in an exclusive talk with The News.

Nisar is a leading industrialist of the country who is in chemicals, textiles, artificial leather and his family has stakes in capital market as well.

Q: What role can you play in improving industrial prospects in Punjab?

A: The caretakers cannot make major changes in the policies. Their mandate is simply to ensure that day to day affairs of their ministries are run smoothly. Industrialists facing problems in certain approvals are being facilitated by removing bureaucratic hurdles. All departments of the ministry of industries are operating independently. Since all industrialists are my colleagues, they approach me if their genuine approvals are unduly delayed or if their grievances are not addressed.

Q: Routine matters get addressed in one way or the other. Does it mean the ministry is only a feather in your cap?

A: I took this assignment because I am aware of the issues faced by the industrialists in Punjab as well as Pakistan. I know that I cannot take any major policy decision. Even if I could, the duration of my tenure is too short to implement those decisions. I have decided to prepare detailed reports on all the issues faced by the industry in the province for the next elected government. Industrial associations have been pleading their cases with the ministry of industries but the issues are buried in different files and there is no comprehensive report in one place. I intend to call the meeting of all major chambers of Punjab and discuss with them all the issues impeding industrialisation in the province and incorporate the common issues in the report.

Q: What are the major issues for industrial sector in Punjab?

A: The major issue is the huge disparity in the gas tariff. Another issue is the harassment faced by industrial plot owners at the hands of the managements of industrial estates.

The industrial estates deny availability of basic facilities to the entrepreneurs but heavily fine them for not starting project on their plots.

If the power is denied to the new industries how are they going to operate machines? We have a state-of-art industrial estate in Sundar but it has only two 30 kVA

transformers that are not sufficient even for the industries that are currently operating there. Every owner is willing to establish a factory provided the provincial government assures smooth power supply.

It is because of the modern infrastructure at Sundar that the plots sold by the government at Rs3.5 million/acre are now valued Rs60 million/acre.

Q: Punjab has to pay a higher price for the gas because it is imported, while other three provinces use domestically produced gas, which is comparatively low-cost. What is your take on this issue?

A: We understand that this problem cannot be resolved by the federal government as it fulfills 28 percent of the industrial gas needs in Punjab through natural gas that is very cheap. The remaining 62 percent of the gas is imported that is 2.5 times higher in price than natural gas. We would recommend that the Punjab government should subsidise this gas to certain extent so that the difference of power produced from natural and imported gas is reduced. We expect the power production even after subsidy to be still higher in Punjab but the gap would be significantly reduced.

Q: Do you think Punjab has the resources to provide this subsidy?

A: Punjab needs quality and permanent jobs that can only be provided by the industries. Being the two most important inputs Indian Punjab has committed to pick up power and energy for five years. Our future provincial government should do the same.

This measure would wipe out unemployment in Punjab within five years. State government in India and even United States are attracting investors by offering them free or low-cost but developed industrial land and subsidies on inputs. Our provinces should also compete with each other.

Q: What other recommendations do you intend to give to the next elected government?

A: There are problems faced by the industries that relate to the federal government. We intend to raise those issues through official platform of Punjab government. These relate to smuggling and under-invoicing. These two menaces have retarded the industrialisation in the country including Punjab.