

# Topic: Imbalance of Energy

Mix in Pakistan and

Its Consequences

## Outline:

### 1- Introduction

Pakistan is facing imbalance of energy mix since its inception. Although, Pakistan is blessed with abundant resources but they are not harnessed in a productive manner. Now the imbalance of energy mix is posing serious consequences to socio-economic domain which need to be handled by holistic approaches.

### 2- Overview of Concept of Imbalance of Energy Mix

### 3- Current Scenario of Imbalance of Energy Mix in Pakistan



4. Consequence of Imbalance of Energy  
Pakistan in Pakistan

A- Mounting Prices of Electricity

(a) Case in point: Report of NEPRA

B- Sky-rocketing Inflation

(b) Case in point: Report of the State  
Bank of Pakistan

C- Leads to Environmental Degradation

(c) Case in point: Report of Air Quality  
Index 2023

D- Burden on Imports of the Country

(d) Case in point: Report of IMF

E- Limits Energy Security

(e) Case in point: Report of Power  
Station

G- Declines in Living Standard of Masses

(g) Case in point: Report of Consumer  
Price Index

## 5- Recommendations for Balance of Energy

Mix in Pakistan

A- Implement National Conservation Policy of Energy

B- Switch to Renewable Energy Resources

C- Completion of Pipeline Energy Projects

D- Make Nuclear Energy useable

F Install Local Energy Projects

6- Conclusion



Pakistan, like any developing countries, is facing issue of energy crisis and imbalance of energy mix.

Energy is core requirement of industries to run and aid in economic growth of the country. Pakistan is blessed with ample resources which can balance the imbalance of energy mix. But torch bearers of our country did not harness those resources in a productive way.

The imbalance of energy mix is non-uniformly usage of natural energy resources and greater difference in demand and production of energy. It has serious repercussions for the country's economical and domestic domain which halt its progressive path in greater extent. The imbalance of energy mix in Pakistan leads to mounting prices of



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electricity, skyrocketing inflation and environmental degradation.

Moreover, it burdens the imports of country, increase in circular budget, limits energy security and declines in living standards of public. These consequences of imbalance of energy mix can be addressed by implementation of National Energy Conservation Policy 2023, switch to renewable energy resources and completion of pipeline energy projects. Apart from that, by using nuclear energy and installing local energy projects, the above mentioned consequences can be mitigated.

Pakistan is facing imbalance of energy mix since its inception. Although, Pakistan is blessed with abundant resources but they are not harnessed in a productive manner. Now, the imbalance of energy mix is posing serious



serious consequences to socio-economic domain which need to be handled by holistic approaches.

The concept of imbalance of energy mix means utilization of energy resources in non-uniform manner. Energy resources includes fossil fuels, hydro energy, solar-wind energy and nuclear energy. A burden on only one resource leads to imbalance of energy mix. It is also a difference in demand and supply of energy. So, imbalance of energy mix is usage of energy resources in unequal way.

The current scenario of imbalance of energy mix in Pakistan is evident in many reports published by national departments dealing with minerals and energy. As per report of NEPRA (National Electric Power Regulatory



Authority), Pakistan is producing 50-60% energy from fossil fuels, 30% from hydro energy resources, 20% from solar-wind resources and 2% from nuclear resources. This report of NEPRA 2023 clearly shows the imbalance of energy mix in Pakistan.

Following paragraphs shed light on the consequences of imbalance of energy mix in Pakistan.

Firstly, the imbalance of energy mix leads to mounting prices of electricity in the country. It results in expensive electricity. According to report of the National Electric Power Regulatory Authority, the cost of electricity was 18 PKR per unit in 2021-22 but now its costs 56 PKR. It increase thrice. Therefore, it enhances a price.



Secondly, the imbalance of energy mix leads to sky-rocketing inflation. Power outage and high prices of electricity are nuisance.

A high cost energy affects economic sectors badly and makes every thing expensive. According to the report of the State Bank of Pakistan, within last two fiscal years, inflation rate jumped from 26% to 38% which is the highest in Pakistan and South Asian region. Hence, the imbalance leads to sky-rocketing inflation.

Thirdly, this imbalance leads to environmental degradation.

Pakistan is majorly relying on fossil fuels for energy production.

It exacerbates green house gases emission in environment which are aiding in air pollution in country. The recent



report published by Air Quality Index 2023, Lahore and Peshawar ranked among the most pollutant cities of the world. The average life expectancy has decreased ten years in these cities. So, environmental degradation is another threatening consequence.

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Moreover, the imbalance of energy mix burdenize the imports of already economic fragile country. The International Monetary Fund (IMF) recently revealed that Pakistan is importing 60% of hydrocarbon to meet its energy demands. It leads to burden the imports of cantry which has already less export and



more imports. Hence, this imbalance of energy mix further destabilize the import-export cycle.

Apart from that burden on imports, this imbalance increases the circular debt of country. Pakistan imports energy resources in dollars and to pay dollars, it needs more loan which ultimately increases circular debt and budget deficit. So, this imbalance has serious economic repercussion as the Report of Economic Survey of Pakistan says that Pakistan has USD 2.31 trillion.

Another consequence of imbalance of energy mix is limited energy security. A non-uniform usage of energy resources restrict the country in term of



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The aforementioned consequences need to be handled and following are some recommendations to balance the imbalance of energy mix.

Firstly, the government of Pakistan should implement National Energy Conservation Policy 2023. It demands conserve energy resources and production of energy from all available resources. In this policy, it aims to focus on production of energy other than tradition means.

For conservation of energy, the government has ordered to close all markets early and eco-friendly usage of energy appliances.

Secondly, It is a need of hour to switch to renewable energy resources such as hydro, wind and solar resources to produce green energy. It



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would be cheap and efficient.

The imbalance of energy mix can be reduced in this way.

Thirdly, the government of Pakistan should complete pipeline energy projects to counter this imbalance of energy mix.

The major pipeline energy projects include Peace gas pipeline and TAPI pipeline between Pakistan, Iran and Russia.

It would meet the shortfall of energy's demand.

Another recommendation to counter the current imbalance of energy mix is make usage of nuclear energy. Pakistan is a nuclear state. It has nuclear energy in quantity. The government should frame policy to use nuclear energy in a safe way.



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Lastly, Pakistan should promote local energy production by installing local energy projects. It includes solar and hydro projects in Azad Kashmir and Gilgit Baltistan. It can reduce dependency of production of energy on fossil-fuels and also produce clean energy.

In a nutshell, Pakistan has imbalance of energy mix. It has abundant natural resources that need to be utilized in a productive manner and in balanced way. The current imbalance of energy mix resulted in serious repercussions for economic and social sector. But there is always a room of optimism and in this case, it can be mitigated. All it requires a holistic and rational approaches



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to come out from this crisis  
and balance the energy mix.

