

1) Intro (Q. 1) Chap 19)

2) Energy crisis in Pakistan

Q1

Pakistan has been facing energy crisis. Pakistan needs to invest in energy sector. How it will be helpful in the context of CPEC investment in energy sector?

Ans 1- Introduction

"Pakistan is a country of 'concern'."  
(USHR-2023)

Pakistan has been facing energy crisis since 2007. Pakistan needs to invest in CPEC related energy sector to reform its energy sector. CPEC is a blessing opportunity that will be beneficial for Pakistan in future.

2- Energy crisis-

## a trap for Pakistan

Pakistan is caught in a vicious trap of energy crisis. Since 2007 to 2016, Pakistan has been facing a severe energy crisis issue. In FY 2022, price increased from 16 to 34 PKR. Moreover, loadshedding remained in urban 8 to 10 hours, and in rural 16 to 18 hours. Hence, Pakistan is in a sphere of energy crisis.

### 3- CPEC - a blessing to invest in energy sector

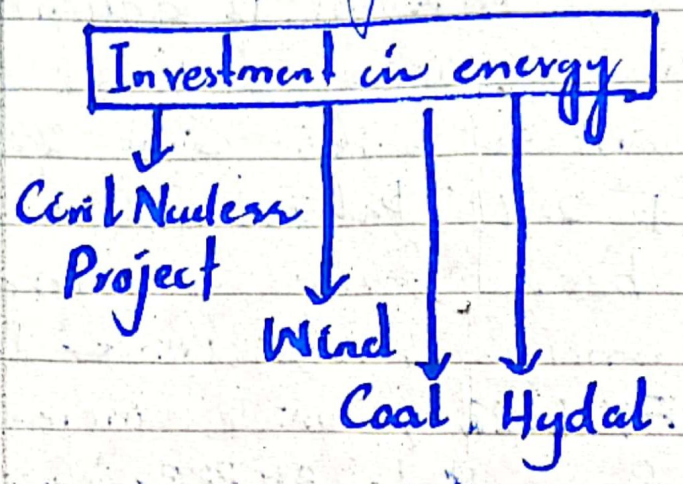
"Pakistan has a tremendous potential to generate local energy."  
(WB - 2023)

1)  
2)

3) Solar -  
[ ]

4) Hydro  
[ ]

Pakistan has invested in following manner:



### a) Civil Nuclear Project

Pakistan has generated energy from civil nuclear projects. Chasma 4 project, produced 1320 megawatt each. Along with Chasma, KNUP produced 21000 megawatt. (SBP-2022). Thus, Pakistan can generate energy from civil nuclear project.

### a) Energy generation

## From wind

Pakistan has potential to generate energy from Thar, Sindh and Balochistan. 3000 MW energy is produced from wind source. (SBP). This is a benefit of investment in energy sector.

## c) Coal ~ an opportunity for Pakistan

"Pakistan has almost double amount of coal than KSA and Iran oil."

(WB-2023)

Pakistan has generated energy from coal, 1280 MW. However, it has more potential to produce 5000 MW energy. (PBS)

d) BOC - Imp  
FY2 - 2022 → improve

## d) Hydal generation of energy

Following table shows energy generation from hydels:

Source	energy/MW
Karrot	730
Sakki Kinare	883
Dasu	4300
Drauner Basha	4500

Hence, Pakistan will generate 80pc of energy by 2030.  
(SIP - 2022)

## 4- Positive outcomes of energy investment in CPEC project

Following are benefits of energy investment:

### a) Decrease loadshedding

Pakistan has been facing the worst loadshedding. Fortunately, investing in energy sector will reduce loadshedding. By 2029, Pakistan will generate 16000 to 25000 MW of energy. (SBP-2022) Thus, loadshedding will be reduced.

### b) Cheaper electricity production

Pakistan has been facing price hike in energy. After investment, it will get cheaper energy at worth of 14 PKR/unit instead of 34 PKR currently. Thus, Pakistan will get cheaper energy.

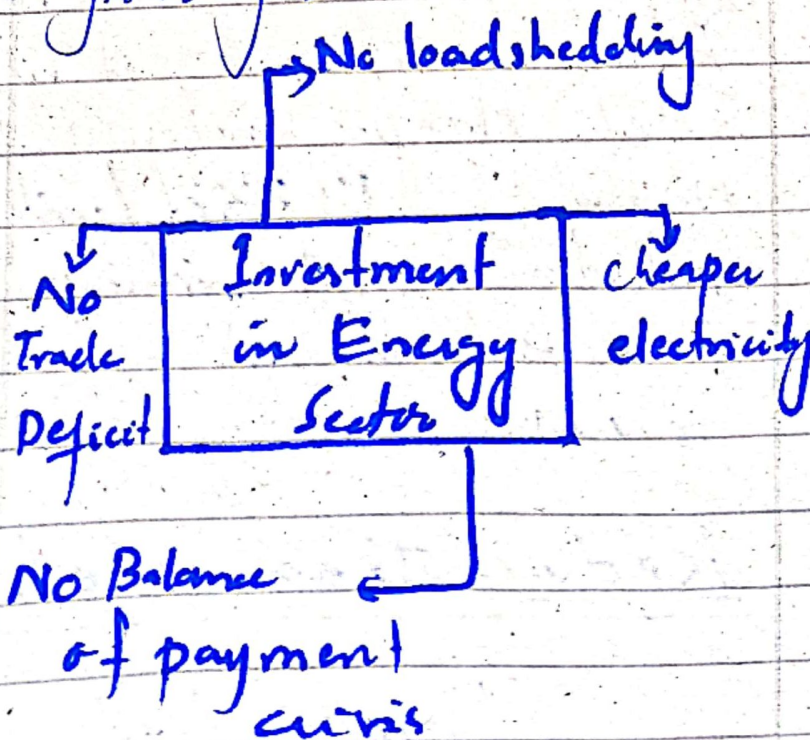
### c) Reduce Trade deficit

Almost trade deficit

is due to expensive energy. About 25% of deficit comes from expensive energy. Hence it will be reduced.

#### d) Improve balance of payment crisis

Balance of payment crisis is also due to trade deficit. By improving trade, BoP crisis will be improved. Hence, Pakistan will be growing soon.



5)

## Conclusion

"To save energy before it gets too late...."

Pakistan, no doubt has been facing an issue of energy crisis. But investment in energy sector has several positive outcomes. Therefore, Pakistan should get benefit from CPEC project to improve its energy problem.