

# Energy Crisis in Pakistan: Cause and Consequences.

## 1 Outline:

i) Introduction.

Introduction: kindly substantiate your idea

## 2) Causes of energy crisis in Pakistan:

i) Inefficiency of energy distribution companies to rescue Pakistan from loss of electricity.

ii) Pakistan has overlooked the treasure of its own local sources of energy.

iii) Russia's war in Ukraine has affected energy supply to Pakistan as well.

iv) Renewable resources of Pakistan demand a lot of financial resources for their utilization.

v) Pakistan heavily relies on fossil fuels for fulfilling its energy demands.

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## 3) Consequences of energy crisis in Pakistan:

i) The prices of electricity have skyrocketed across the country.

ii) People are unable to pay their electricity.

iii) Billions of dollars have been lost as a result of transmission losses.

iv) Pakistan relies heavily on imported energy sources.

v) Heavy reliance on fossil fuels is causing environmental pollution.

vi) Load shedding has become a problem for every Pakistani citizen.

vii) Energy crisis has resulted in rising political instability.

4) Conclusion.

"A man commits suicide in Pakistan after being unable to pay his electricity bill". This news made it to the headlines of a renowned news channel of Pakistan. The energy crisis in Pakistan has affected the lives of many people and it has pushed them <sup>below</sup> to the line poverty line. Unfortunately, it has been a difficult road to end the

energy crisis due to flawed policies, inefficiency of energy distribution companies and a long-rooted history of unending energy crisis. There are a few causes which have exacerbated the energy crisis in Pakistan. First, the distribution companies could not prevent energy losses in the long run. Second, Pakistan has not availed the opportunity of using its own energy resources. Moreover, Russia's war in Ukraine has disrupted and exacerbated the energy crisis in Pakistan. Furthermore, Pakistan is unable to completely transition to renewable energy resources due to dearth of financial resources. The energy crisis in Pakistan has inflicted serious consequences on the citizens. There has been a surge in electricity prices which haunts the people of Pakistan. Additionally, people lack the financial strength to pay their electricity bills. Not only this, but billion dollars have also been lost due to transmission losses. In addition, Pakistan <sup>has to</sup> relies on imported energy resources which also affect the economy of Pakistan. The energy crisis in Pakistan has also increased environmental pollution and its devastating impacts have disrupted people's lives. Undoubtedly, the energy crisis in Pakistan has there are a number of causes exacerbating the energy crisis in

Pakistan and it has posed serious consequences for the country.

Pakistan's distribution companies have failed to prevent electricity losses. Line losses have become quite frequent. On-top of that, energy theft due to dysfunctional discs have aggravated the energy crisis in Pakistan. Moreover, the government has failed to address high transmission and distribution losses. National Electric Power Regulatory Authority (NEPRA) has revealed that there has been a loss of Rs. 660 billion in the fiscal year 2023-24. Therefore, these failures need to be addressed as soon as possible.

Transition of idea from one passage to another one is fine

Pakistan has also failed to utilize its local energy sources. Local energy sources aid in reducing a country's expenditures. There are a lot of unutilized potential energy resources which can <sup>prove</sup> be sufficient enough to fulfil <sup>Pakistan's</sup> energy demands. Furthermore, Pakistan has huge coal reserves and can <sup>increase the numbers of</sup> enhance its nuclear power plants with the help of China. According to Dawn reports, Pakistan's coal reserves in ~~fact~~ are equal to the rich oil reserves possessed ~~by~~ Saudi Arabia and Iran. Henceforth, Pakistan has not realized ~~at~~ the real potential of its energy reserves.

Russia's invasion of Ukraine has affected Pakistan's energy sector as well. Russia invaded Ukraine in 2022 to prevent North Atlantic Treaty Organization's (NATO) troops from landing on its borders. First, the war has caused a surge in oil prices which have affected energy prices globally. Secondly, the Russia's invasion of Ukraine has also led to a rise in prices of electricity, gas and other energy-related products in Pakistan. Bloomberg report has shown that the demand of LNG has fallen to 19% in Pakistan as one shipment of it <sup>annual</sup> costs \$100 million after Russia-Ukraine war.

Unfortunately, renewable energy resources of Pakistan demand strong financial strength for their utilization. However, Pakistan is already bearing the burden of debts and inflation. Additionally, the people of Pakistan cannot even afford solar panels due to their financial inability. Moreover, Pakistan also has to pay a huge debt to its domestic energy <sup>producers</sup> sector. World Bank report stated that Pakistan's high subsidies to the domestic sector are estimated to be PKR. 976 billion. Thus, Pakistan lacks the financial resources <sup>needed to</sup> establish a setup for the utilization of renewable resources.

Pakistan relies on fossil fuels for ~~most~~ fulfilling its energy demands. Fossil fuels are non-renewable sources of energy which have great significance for Pakistan. Fossil fuels are very expensive and in future, they might become unaffordable for a debt-trapped country like Pakistan. In addition, expensive fossil fuels also make it difficult for the citizens to purchase electricity and gas. Statistics have shown that 70% of Pakistan's power sector ~~consists~~ consists of fossil fuels. Hence, Pakistan's energy ~~sector~~ is dependent on fossil fuels.

Energy crisis has caused immense damage to Pakistan's economy. There have been a plethora of reasons for this crisis which does not seem to be ending soon in near future. On top of this, the energy conundrum has also inflicted serious consequences for the people and the state itself. Following is a detailed account of consequences of Pakistan's energy crisis.

Pakistan has been bearing the brunt of high electricity prices. The issue has persisted and aggravated since independence. The price of per unit charges have

skyrocketed and it is pushing people below the poverty line. Furthermore, only a few people have been able to install solar panels on their roofs, while many are barely making two ends meet. Energy Minister of Pakistan's energy sector has admitted in that Pakistan has the most expensive electricity in South Asia. Hence, electricity is getting expensive with every passing day.

Not only this, but people are also unable to pay their bills. Such inability sows the seed of hatred in hearts and minds of citizens against their leaders. Inability to pay electricity bills has resulted in mass protests and feelings of deprivation in people. Additionally, people have started to take their own lives due to their high expenditures. Dawn reports have commented over the demise of a Pakistani man who committed suicide after being unable to pay his electricity bill worth 50,000 rupees. Therefore, electricity bills are harming the lives of people.

Transmission losses have also resulted in loss of billions of dollars. Transmission losses are the loss of power or voltage due to loss of electricity as it passes through a transmission path. As discussed earlier,

inefficiency of distribution companies have resulted in transmission losses. Moreover, such losses continue to strain the economy of Pakistan. In 2023, Punjab Lahore Energy Supply Company (LESCO) reported that it had suffered a loss worth PKR 55 billion due to transmission losses. Thus, inefficiency of DISCOs has heavily affected the economy of Pakistan.

Resultantly, Pakistan has to rely on energy imports. This has been a major consequence for Pakistan's energy conundrum. This is further adding to the existing debt trap <sup>in power</sup> Pakistan is in, trying to survive. Additionally, energy imports have also resulted in increased prices of electricity for local people, and increased load shedding. Economic Survey of Pakistan has estimated that Pakistan will continue to rely on imports of fuel and LNG for the next 10-15 years. Hence, Pakistan's heavy reliance on energy imports is due to the energy crisis.

As Pakistan relies on fossil fuels for power generation, environmental pollution has increased in the country. Environmental pollution refers to the pollution caused by carbon emissions and lethal pollutants.



Due to heavy reliance on fossil fuels, there has been an addition of carbon dioxide and nitrous oxide in the atmosphere. Moreover, it has affected the health of Pakistani people by spreading respiratory diseases. UN SAID has estimated that life expectancy in Lahore has reduced two to three years approximately. Henceforth, energy crisis has also exacerbated climate conditions in Pakistan.

Energy crisis has also resulted in excessive load shedding. Load shedding refers to electricity shutdown due to <sup>unintended</sup> inability of government <sup>too</sup> or due to ~~any~~ disruptions. Over the last few years, smaller cities have faced load shedding for half or for the entire day. Furthermore, flawed and ineffective policies have also failed to curb the issue of electricity load shedding. Business Recorder has reported that in 2022, load shedding peaked to 12 hours a day in Pakistan. Therefore, load shedding continues to affect the lives of Pakistani people.

Political instability has also been a major consequence of energy conundrums in Pakistan. When state fails to fulfil the demands of people, they start hating those who are in have the authority to make their lives better. Furthermore, energy crisis has often given the opposition <sup>the</sup> benefit to create a power vacuum by overthrowing the regime in place. IPSOS Surveys have shown that 80% of Pakistanis feel the country is headed in the wrong direction. Thus, political instability continues to inflict serious damage to the country.

In conclusion, there are various causes which are aggravating the energy crisis in Pakistan, followed by daunting consequences. Pakistan has seen the worst form of energy crisis especially since 2007. The major cause which owes to the energy crisis of Pakistan is less reliance on renewable resources because they require hefty amount of money for utilization. On top of that, Pakistan also relies on fossil fuels for fulfilling the demands of its citizens. Not only this, but Russia's invasion of Ukraine has also disrupted energy supplies in Pakistan.

Moreover, Pakistan has also not utilized its local sources of non-renewable energy which compels the country to import energy-related products. The energy crunch has also resulted in serious consequences for the country. Heavy reliance on fossil fuels is contributing towards environmental pollution in the country. Furthermore, load shedding has taken an upward trajectory and it continues to disrupt daily life of many people. Additionally, energy crisis is a major cause of political instability in the country and it has people's resentment as well. Most importantly, transmission losses have affected the economy in many ways. In addition, people are unable to pay their electricity bills due to financial restraints. The future of energy crisis in Pakistan seems to be dark. The country is already tackling with political instability, debt servicing, appealing for loans from foreign organizations and security threats. Pakistan needs to bring economic reforms to bring the house in order eventually. However, the government might have to take difficult decision for such purposes.