

- loadshedding
- exp. elec.
- high debt in energy

PAKISTAN AFFAIRS

Q: What are the main causes of energy crisis in Pakistan? What measures do you recommend to address it? (2019).

- sector: poor gov.
- corrupt political inst.

Introduction:

Energy crisis is a looming threat in Pakistan. It is basically a significant shortage in energy supply to a country or region. This crisis exist in Pakistan from 1990s. However, its roots can be traced back from 1970s when the government built Mangla and Tarbela dam, causing economic expansion in 1980s, which resulted in high energy demand. It lead to decreased supply, and thus turbulence in the energy sector.

The main causes ^{of energy crisis} include: expensive electricity, loadshedding, high debt in energy sector, and political instability. Some measures to overcome this crisis include the

renegotiation of agreements, looking forward to new power generation sources, electricity to be realized, more exports and showing the political ~~issue~~^{will} in this issue. Pakistan, since long, has been facing the menace of energy crisis, having multiple causes. This can be resolved by taking multiple steps for economic stability via this sector.

Causes of Energy crisis in Pakistan:

There are myriad challenges in the energy sector in Pakistan:

1. Expensive Electricity:

It is one of the major crisis problems.

~~Also~~ This crisis can be better illustrated

in the words of former Prime Minister Anwar-ul-Haq Kakar who said:

'Pakistan produces the most expensive electricity in Asia and 3rd most expensive in the world,'

as ~~the~~ in June 2023, the per unit cost was 46 PKR (including all taxes)

It was due to multiple reasons

such as the production of electricity from hydrocarbons, primarily coal, which is the third most expensive source of electricity production. Other than this, diesel is also used for electricity generation which is the most expensive source.

2. Loadshedding:

Pakistan faces the worst quantity of loadshedding during summers.

In 2022, the loadshedding was up to 8 hours in urban sector, in rural was about 16 hours and the short fall was approximately 10,000 MW.

The need of more electricity and the less supply made it difficult to distribute evenly. As per 2023,

the demand was 28,000 MW and Pakistan was producing approx.

22,000 MW. The more demand and less supply caused loadshedding, thus contributing to energy crisis in Pakistan.

3. Debt in Energy Sector:

All the hydrocarbons that are used by Pakistan for electricity generation are imported ~~or~~ or by taking loans or debts by other countries or IMF. This leads to a burden on the energy sector as the prices of hydrocarbons keep on fluctuating in the international market as in ^{July} 2020, it was \$23 per barrel but in July 2023, it was \$90 per barrel. The ^{agreements with} IPPs done by Pakistan are quite expensive for which it has to rely on other sources for debt and this brings a crisis in the energy sector.

4. Problems with transmission and distribution of electricity:

Out of 100%, 33% of electricity is lost while reaching the consumer.

This is because of the line losses.

The transmission line loss in Pakistan

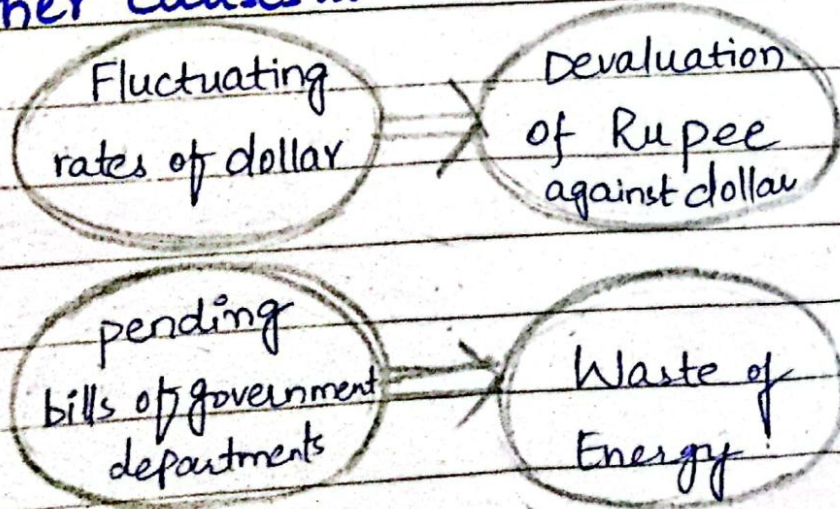
is 17%; the highest in Asia and 3rd highest in the world ^{due to outdated lines.} Moreover,

electricity distribution is also uneven due to electricity theft and tampering of meter reading. This is how, ^{the production in} energy department is hindered.

5. Political Instability:

The political instability prevails in the region since its inception. Due to this, the policies made by one political party are not continued ~~or~~ ^{till} the end, which is the main cause of turmoil in the sector. The political rivalry, lack of political will and ~~lack~~ effectivity and efficiency result in poor decisions made by ~~pe~~ parties regarding the international and national agreements and projects cause deficits.

Other causes...



Recommendations to Overcome the Energy Crisis in Pakistan:

1. Renegotiation of Agreements:

The agreements done in 1994 and 2005 ~~that~~ regarding the energy sector should be renegotiated. The agreements regarding the production of electricity ~~through~~ by coal in 2018, should be renegotiated. Also, the capacity payments should be terminated or reduced ^{to} overcome the crisis.

2. Electricity to be generated from other sources:

Solar and Hydal are the other means to produce electricity, rather than relying on hydrocarbons. The estimates if Pakistan produces electricity from hydal would be 8 pkr per MW, 8-9 ^{PKR} from solar and ~8 from wind. Moreover, civil nuclear reactors can also be a cheaper source of electricity production. The dams in Pakistan could be used for water ~~hydro~~ power.

production, in order to overcome energy crisis in Pakistan.

3. Localization of Electricity

The involvement of local companies to ~~make~~ make designs and effective electricity distribution ~~it~~ can be ~~effective~~ ensured. By supporting national-level ownership and ensuring universal access to energy by the national governments should be made the priority of governments. This would ultimately ease ⁱⁿ the cost management for both producer and consumer.

4. Rewamping the transmission lines:

The transmission and distribution mechanism should be strengthened by rewamping the outdated transmission line with new ones.

Furthermore, the bribing of electricity and tempering should be controlled in order to lessen the losses.

The problem of unpaid bills should also be sorted in a tactful manner to avoid ^{further} chaos.

5. Continuation of policies by political stability

The governments should be responsible for the long-lasting and witty policies in the energy sector. The governments should also complete their tenure and the political stability should be ensured in the country in order to curb the menace of crisis strikes on the energy sector.

Other recommendations...

