

Energy Crisis in Pakistan: causes and consequences

I. Introduction

II. Defining Energy Crisis

- a. Persistent shortfall between supply and demand
- b. Historical Background of crisis in Pakistan
- c. Energy mix and importance (NEPRA 2023 report)

III: Causes of Pakistan's energy crisis mainly stem from systematic inefficiencies, outdated approaches and poor governance.

- a. Poor Energy Planning
(Nandipur Power Project delays and cost)
- b. Circular Debt
(Crossed 2.6 trillion Rs in 2024)
- c. Over-reliance on non-renewable resources
(FY 2023: 70% imports of oil needs)
- d. Transmission and Distribution losses
(Jan 2023 national blackout)
- e. Political Instability and Corruption
(Rental Power Projects Scandals 2012)
- f. Climate Change and Population Growth
(Declining River Flow)

IV. Consequences:

- a. Economic Impact
(IMF: 2-3% of GDP cut annually)
- b. Agricultural and Industrial
(Electricity cost per unit: most expensive in region)
- c. Unemployment and Power Cuts
(Estimated 0.5 million job loss per annum)

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d. Environmental Impact and CO₂ emissions
(Kashchi and Lahore : IQAix 2024)

V. Governmental Measures and Limitations
a. CPEC renewable energy projects and delays

VI. Way Forward

- a. Energy mix diversification
- b. Circular Debt Management
- c. Institutional and Infrastructural Reforms

VII. Conclusion

Imagine a state as a body, as the energy of a body is its ability to do work, a nation is fueled by meeting its energy needs. Pakistan has long-faced a persistent energy conundrum leaving its agriculture, industry and finances crippled. The energy woes of the country are recurring mainly stemming from circular debt, poor governance, over-exploitation of non-renewable sources and infrastructural shortcomings giving rise to numerous impacts across various spheres. Although, there have been few commendable efforts to overcome the crisis, however, they fell significantly short. A holistic approach to handle circular debt, institutional shortcomings is needed, coupled with a shift to consistent policy-making and renewable energy sources, to light up and brighten the prospects of the country.