

①

PMS-18

Ehtisham Jadoon (Mock-5)

2/11/25

Essay:

What are the causes and consequences
of Energy Crisis in Pakistan

Outline:

I. Introduction

- A- Energy Sources in Pakistan
- B- Energy Crisis; the forerunner of many problems
- C- Thesis Statement:

Energy crisis in Pakistan is a threat to the bed-ridden economy. There are many factors contributing to this worrying situation such as political instability, inefficient policies, public irresponsibility, global market factors and ethnic divide. It is badly affecting socio-economy position and national cohesion of Pakistan.

II. Causes of Energy Crisis in Pakistan

A. Political Instability

- 1. Tainted Political evolution
- 2. Seven Prime Ministers from 1947 till 1958.

B. Inefficient Policies of governments

- 1. No new dams
- 2. Independent Power Producers (IPPs) became a burden
- 3. Lack of technology and alternate resources.

C. Failure to utilize International trends

- 1- India imported huge amount of oil from Russia
- 2- The dilemma of Pak-Iran Gas Pipeline

D. Irresponsible public

- 1- Wastage of resources at homes and offices
- 2- Lack of awareness
- 3- Extensive use of private transport.

E. Internal issues

- 1- Provincial division
- 2- Ethnic factors
- 3- Law and order

F. Global Market factors

- 1- Escalation across trade routes.
- 2- Rise of prices
- 3- Rise of Dollar with respect to Rupee.

III. Consequences of Energy Crisis in Pakistan

A. Economic Deficit

- 1- More dependancy on imports
- 2- Less developmental works

B. Impact on Business and Industry

- 1- Less growth
- 2- Shifting and closing of some industries.
- 3- Gadoon Industrial Estate fell prey to this adversity.

C - Social Consequences

- 1 - Poverty and unemployment
- 2 - Increase in criminal tendencies

D - Threat to National cohesion

- 1 - Disintegration of society
- 2 - Anti national sentiments

IV - Way Forward

- 1 - Use of alternate energy sources
- 2 - Exploring of other reserves in country
- 3 - National political dialogue
- 4 - Awareness Programs
- 5 - Clean technology for utilizing Thor Coal Reserves.
- 6 - Building dams

V - Conclusion

- 1 - Thesis Reinstated
- 2 - Concluding Remarks.

"The Essay"

Energy is the most powerful weapon that can control everything in this Universe. Sun gives heat and light energy, which is trapped by the planets to maintain their temperatures. Plants absorb light energy to form carbohydrates and oxygen for animals. Animals, including humans, use these products of plants for their survival. Similarly, Pakistan also uses several resources to meet its energy demand. Hydel, thermal, nuclear and renewable sources are being used in Pakistan. It is in the form of electricity, petrol, coal, natural gas and solar. In Pakistan, some of these fossil fuels are naturally ^{available} such as coal and natural gas. ^{majority of} Petrol and gas is imported from other countries. Their depletion create a havoc as they are used for numerous purposes such as transport, industry and domestic use. Energy crisis in Pakistan is a threat to already bed-ridden economy. Many factors contribute to this worrying situation such as political instability, inefficient policies of government, failure of utilizing international trends, irresponsible public, global factors and ^{some} internal issues. It may have devastating impact on economy, business, industry, and society and national unity. It can be effectively curtailed by building new dams, using alternate and clean technology, educating people and availing national dialogue.

⑤

The first cause of energy crisis in Pakistan is political instability. Since its inception, this country is facing a severe problem of political nature. It has a tainted political evolutionary history. For becoming self-sufficient, any nation needs long-term plans. But this nation was not lucky enough to become self-reliant, because it was politically insecure since death of Quaid-e-Azam Muhammad Ali ^{Jinnah} and Liaquat Ali Khan. Pakistan got seven prime ministers from 1947 to 1958. It shows that in initial years of this state, energy ~~was~~ never became part of long-term plans. After Indus Water Treaty, this nation planned to build Mangla, Taubela and Warsak Dam under heading of Ayub's Green Revolution in 1960s. Moving forward, the following governments faced fall of Dhaka, military coups and emergencies. Not a single prime minister completed his or her 5-years tenure. So, this checkered history made impossible for the governments to think out of the box for solving energy problems. In past 3-terms, several projects were being launched to tackle this problem.

The second cause of energy upheaval is ineffective policies of the government. It is the continuation of above argument that governments did not pay need to make new dams to solve energy

(6)

and water shortage in the country. The dams established in 1960s and 1970s are still functioning as the premier hydel energy sources without addition of significant dams. Similarly, Diamer-Basha and Dasu dams also fell prey to political point-scoring. They were initiated decades ago but still majority of their portions is not completed. To meet the energy distress, previous governments made hasty decisions. One of such decisions was making agreements with Independent Power Producers (IPPs). They became a burden on national treasury in form of capacity building charges. Most of them are closed due to non-availability of furnace oil and other raw material. But they are being paid for the facilities they have established, without producing a single unit of electricity. Moreover, Pakistan lacks technology to explore new domestic reserves and alternative resources of energy.

The third factor contributing to the distress situation of energy in Pakistan is failure to utilize international and other regional opportunities. For instance, Russia-Ukraine war was defining moment in recent times. Sanctions were imposed on Russia, and nobody was purchasing oil and gas from it. It increased international prices due to high supply of oil and

gas from Middle East. India acted very smartly by purchasing huge amount of crude oil from Russia at low cost.

This move benefited Indian economy very much. On the other hand, Pakistan failed to act quickly and had to purchase expensive crude oil from Middle East.

Similarly, many such opportunities have been lost by the Pakistani government. Pakistan Iran Gas Pipeline is also one of such events. This project was started in 2009.

Iran has almost completed its part of pipeline, while the Pakistani part is incomplete since inauguration. Pakistan is acting slowly because of international sanctions on Iran and pressure of the United States. This project could provide extensive supply of natural gas for domestic and industrial usage. The current government is trying to continue this project for the sake of energy security.

Moreover, public irresponsibility is the fourth cause of devasted energy issue. Common people and officers are wasting energy at homes, offices and restaurants. Electricity is one of the greatest blessings, but is usually wasted by the public. There is lack of awareness regarding energy security. Every unit of electricity comes at a high cost. Hydel energy is quite cheap but other forms of energy are expensive.

People waste it without any thought. Two air conditioners are being in offices instead of one. Hotels and restaurants use extensive electricity for illumination and fans. Furthermore, people use private cars more oftenly. They spent alot of fuel in this way. These fuel are imported from other countries at high rates. It causes air pollution as well as loss of dollar reserves. Pakistan need to save its dollar from going out of the country to deal with the economic havoc.

The fifth cause worse energy condition is the inurgence of several internal disputes. Provincial divide is one of them. People of the provinces have their respective linguistic, cultural and ethn ethnic identity. Certain factors become a bone of contention between these provinces. Due to these differences and ideas, development becomes a far cry. Such is the case with Kalabagh Dam near Mianwali on River Indus. Punjab was of the view that this dam was the only solution to water and energy security of Pakistan, while Sindh and Khyber Pakhtunkhwa has been opposing it since decades. Sindh opposed it due to fear of water shortage downstream, while Khyber Pakhtunkhwa were against it because of ^{drowning} ~~sinking~~ fear of interior province. Similarly, ethnic divide among people has been creating

many problems since inception. It instigates people to raise voice against each other in the garb of ethnic security. Such people are usually exploited by politicians for their gains. Additionally, law and order situation is also closely linked to energy distress. Recent attacks on Chinese engineers in Upper Kohistan and Gwadar prove that deteriorating security issues further worsen the energy plight.

And last, but not the least cause of energy disaster in Pakistan is global factors. Majority of oil comes from middle which is surrounded by war-prone zones. Strait of Hormuz alone handles 20% of oil transportation in world. It is under constant threat of attack from Iran and Houthis Rebels. Such escalations halt the oil supply, increasing the demand and price of oil. It becomes difficult for weak economic powers to achieve oil at such times. Same is the case with Pakistan, it has to buy expensive oil from other countries. This condition is further deteriorated by rise in dollar's value against Rupee's value. Pakistan loses its dollars on such expensive exports. Moreover, For instance, there was a rise in global oil prices due to Russia-Ukraine War on account high demand of

energy in winters. At that time, Pakistan faced severe shortage like other developing countries. Such conditions often arise, and create trade and ~~budget~~ ^{energy} deficit in the country.

Moving towards the consequences, energy crisis create economic deficit in the country. Pakistan's whole oil market is based on imports. A huge amount of dollars is spent on importing oil and gas to meet the local demands. It disturbs trade balance between import and export. It is a point of worry for a country whose economy is based on more imports than exports. In this manner, Pakistan imports oil and gas by taking loans from financial institutions. Majority of budget goes in repayment of debts. It leaves behind very less amount of ~~any~~ money for developmental works. It also results in high petrol prices at home country which is another source of devastation on the general public.

The next impact of energy shortage is deterioration of businesses and industries. Pakistan is a developing country that is in immense need of industrialization. Electricity, oil, gas and other forms of oils are used in factories.

to make different products. For instance, a huge amount of gas is used in fertilizers' industry. Many industries have partially closed their plants due to shortage of gas and oil. It results in less economic growth. According to Economic Survey of Pakistan, there was 2.8% growth in National GDP. It was due to shortage of energy and closure of industries. These crises have forced some of the major businesses and factories to shift or permanently close their plants. For instance, about 60% of industrial plants in Oradon Industrial Estate in Swabi are closed according to some reports. Same is the case with Textile industries in Faisalabad where many of them have shutdown their plants. It has created another ^{problem} of shifting of multi-national brands such as Careem, Zara and Lawrencepur ^{from} Pakistan.

Furthermore, the energy crisis is also a threat to socio-economic position of society. Due to energy shortage, industrial units are either closed or shifted, that create a problem of unemployment for the local community. Upon closure or shifting of factories, the local providers of raw materials are also badly affected. These conditions create more poverty. Due to poverty and economic

disparities, people get inclined towards criminal tendencies. It has been observed that poverty and unemployment force the people to follow illegal path for earning livelihood for themselves.

The last and the most threatening impact of energy upheaval in Pakistan is a risk to national cohesion. Pakistan is composed of several ethnicities, and shortage of energy causes misappropriation of funds and energy among provinces and ethnic regions. It ^{also} creates class distinction in society. ^{such} Deprived people fall prey to anti-national sentiments sometimes and negative propaganda sometimes. It is very detrimental to the unity of state and society. Such ethnic divide and disintegration is a barrier in way towards prosperous Pakistan. For instance, ^{recent} Canals dispute and Kalabagh project was due to such ethnic divide and dis-unity among people.

The devastating effects of energy crisis can be effectively mitigated by adopting a comprehensive policy. It may include exploration of new energy reserves in Pakistan by using latest technology. Pakistan has got one of the largest coal reserves in the form of Thar Coal. This coal can be used

for thermal production by using latest technology to wash out its sulphur content. There are several other alternate energy sources that may be used. Pakistan need to invest in solar parks, wind farms and Tidal energy. This will not only make Pakistan self-sufficient but also help to curtail environmental pollution. Government should run awareness campaigns to stop wastage of energy. A national political dialogue between all the stakeholders should be arranged to discuss the issue thoroughly and move towards prosperous Pakistan by building new dams.

In a nutshell, it can be concluded that Energy crisis is an imminent danger to the bed-ridden economy of Pakistan. Many factors has contributed to this serious issue such as political instability, tainted history, inefficient governmental regarding new dams and IPPs, failure of government to utilize international opportunities, lack of awareness in public, wastage of resources, ethnic divide and law and order situation as internal agents. The external agent causing the energy dilemma in Pakistan is escalation across trade routes, inflation and other global trends. This situation is having a devastating impact on economy, business, industry, society and national unity. Energy shortage can be resolved by investing in new technology to

explore more energy resources and install alternate energy projects. Government need to employ effective policies to deal with energy ^{shortage} by building new dams. Besides this, a comprehensive national dialogue for national integration is need of the need. Pakistan can become prosperous by adopting these policies, and electing motivated and resilient leadership. It has been rightly said in the Holy Quran that Allah will not change the condition of a people until they change what is in themselves.

x ~ x ~ x ~ x ~ x