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1) Introduction:

Pakistan is facing problems in power sector which is ~~is~~ mainly due to expensive electricity. There are many reasons of expensive electricity but the major cause is imported oil which is too expensive. The 2nd cause is imported coal. Pakistan producing most expensive electricity in Asia. Pakistan is the 3rd most expensive country in the world. It impacts the economy badly. To bear the burden of expensive electricity, Pakistan goes towards loans. Loans and condition of IMF's puts burden on people which impacts their social and political life. Pakistan should adopt the cheaper ways of producing electricity and shift towards the clean and cheaper energy sources.

Causes of expensive electricity

Imported coal:

- 1) More than 60% electricity produced by hydrocarbons. Approximately 6500 MW installed capacity of coal. 3500 MW imported coal.

Coal is the 3rd most expensive source of electricity.

Imported oil:

Oil is the most expensive in the world. ~~6000~~ MW installed 12000 MW installed capacity of oil and all the oil is imported which is most expensive, that why electricity is the produced expensive.

- 3) Expensive agreement with IPP
Expensive agreement is the major cause of expensive electricity. ~~here~~ because all the IPP pays in dollars. And all the agreement sign on the basis of peak demand.

65% electricity producing from IPPs.

4) Loan from IMF.

The main reason of the expensive electricity prices is the conditions set by the IMF. In June 3 billion \$ bailout by the International Monetary fund is given to Pakistan. The IMF asked Pakistan to shore up tax revenue. For the tax revenue electricity bills are increased.

2) Expensive electricity negative implication on the economy:-

1) Increase in Cost of Production

Expensive electricity resulted in the increase of cost of production of industrial and agricultural goods. When industries pay heavily for the electricity their cost of production will increase bring automatically increase in prices. Increase in prices will bring decrease in demand and less export in result. It badly affecting the industrial sector.

Top class brands for example

Nishal linen shifted to Bangladesh due to energy crises in Pakistan, an estimated \$70 million loss to the country's textile industry.

2) Decrease in export and increase in import due to expensive electricity.

Expensive electricity forced the agriculture and industrial sector to shift ~~to~~ or shut down their businesses. Pakistan was agriculture exported country. Now Pakistan importing agriculture products like vegetable oils, when imports increases it puts pressure on prices to increase it resulted in higher prices and now the highest inflation in the history of Pakistan.

3) Negative impacts on society

1) Lack of innovation and education.

Society cannot bear the burden of high prices of electricity. It impacting people socially. Large part of their income they spend

on electricity bills and basic need. They don't have enough money to spend on innovation sector and education. If they will spend on innovation they will be able to find the cheaper ways of electricity.

2) Increased in crime rate.

People are mentally disturbed. Poor families hardly bearing their expenses. Recently in Karachi a man suicides due to high electricity bill. They find another ways to support their life and that's why crime rate is increasing day by day. Mostly people will engage in thefting of electricity. They will use illegal methods like kunda or tampering with meters. It also can create black market for energy.

4) Negative impacts of expensive electricity on Politics

- 1) Discourage investment and innovation
Expensive electricity can discourage private sector investment in energy infrastructure and innovation. Foreign companies will also be discouraged to start businesses in Pakistan due to high cost. They will find the cheaper producing electricity countries.

Recommendation for cheaper electricity

- 1) Renegotiate agreements with IPPs.

After the agreement with IPPs as per international rules, they are open for renegotiate after 10 years. 1997- agreement renewed in 2017 after 19 years. After completing 20 years Pakistan should renegotiate agreements or time to get cheaper electricity.

2) Local and cheaper electricity generation sources.

Pakistan should transform energy dependency to cheaper electricity generation methods.

→ Dasa dam ~~is~~ will complete in 2027 it will generate 4300 MW.

→ Muhammad Dam 800 MW will complete 2025. This will bring positive impact.

3) Vision 2030

Pakistan aims to produce 0% electricity from imported coal, gas and oil till 2030.

Cheaper electricity the industrial production cost will be decrease → less imports
→ domestic electricity will be cheaper.

4) Shift to renewable energy resources.

wind and solar projects are renewable energy resources.

Pakistan already producing 4500 MW

from the wind corridors sindh jumbes.
→ 600 MW from Gwadar. This project
is under process.

5) Installed Biomass system:
Biomass energy is the process of
energy which is get from the
waste of agriculture, industries, institutions.
Direct combustion method is used
for this. It is the cheaper sources
of getting energy.

Conclusion:

Pakistan is facing problem regarding
expensive electricity and it has
many reason. but at the same time
the country is working on cheaper
and renewable resources of electricity.
This problem is not structural problem.
So the hope is for better.

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Achievements in Energy sector

Pakistan faced 8000 MW Short fall from 2007 to 2016. 8 hours loadshedding in urban and 18h in rural areas.

Due to CPEC more than 8000 MW electricity added to the system.

Pakistan is ~~cheaper~~ expensive electricity producer, CPEC based projects will bring tremendous cuts in electricity prices.

When cheaper electricity then industries will produce more automatically less imports and more exports will generate.

→ Mainly projects of CPEC is by coal which is imported coal and expensive and emitter of CO_2 .

→ Hydro and solar projects are also included in CPEC but they are working very slow main focused should be on hydro and solar projects.

Total 36 billion investment in energy sector.

18000 MW electricity produced.

More than 8000 MW already added to system
till 2028 - 18000 MW will be added.

Investment in coal projects.

3 central coal projects are completed.

Karachi, Hub, Sahiwal

each project to generate 1320 MW

This will result in cheaper electricity for life time.

Loadshedding will be gone for ever.

Investment in transport sector.

Largest ever investment in transport sector.

* Network of motorways.

- 1) Northern alignment from Khujrab to Burehan.
- 2) Southern alignment from Gwadar to Basima
- 3) Rukh Deso motorway.

* Network of Railways.

Main Line L1 - ML1 from Karachi to Lahore → Hawelyan to Peshawar.

They will be double track and signal free. Speed will be 160km per hour.

These are ~~the~~ achievements but no mass transit route project with China. Western part ~~of~~ KPK and Balochistan are ignored.

Development of Gwadar sea Port.

Gwadar Sea Port in Asia Pacific. Plan is very wide but delays in completion. Iran developed whole city. 10 years are passed but no major development in Gwadar Port. The process is very slow it should be completed for the easy transport.

Investment in Agriculture sector.

CPEC brings the modernization irrigation Techniques.

Development of seed program is also introduced. Transformation of Hybrid seed which will consume less water.

By 2050 around CPEC China intends to produce agriculture goods till now the investment in production sector is negligible but it will take time and will boost this sector also.