

Question-1

The socio-economic future of Pakistan is directly linked with reforms in the power sector. Analyze

Introduction:

Pakistan is currently facing a dwindling economy, surging inflation, expensive electricity, persistent load shedding as a result socio-economic fabric of the country damaged badly. A spike of electricity tariff and ~~was~~ or poor people burdenized the paid consumers as a result they disturbed social peace and harmony. According to Economic Survey of Pakistan Energy Mix of 2022-23 consist of 60% on thermal, 25.8% on hydel, 8.6% on nuclear and 3% renewable. On 60% thermal energy mix 40% coal is imported in terms of dollar. As a heavy reliance of imported coal, oil and LNG makes the country vulnerable to price shocks, supply interruption and geo-political risk. In contrast to it Pakistan is a country that is blessed with renewable resources like, solar, wind, hydro, and biomass which are comparatively cheaper way to fulfill energy needs. If Government of Pakistan revise recent policy of power sector ~~it~~ is alternative and

renewable energy policy 2019, by improving transmission constrained and installed capacity will be able to save electricity loss. As a result a heavy imports will be reduced. Moreover ~~the~~ there is dire need to make renewable energy resources that is untapped on **Lakhar** and **thar coal mines**. By changing policies and improving law and order situations a large amount of imports will be reduced that ultimately a good step toward securing a bright socio-economic future of Pakistan.

There are some points that proved that socio-economic future of Pakistan is directly linked with reform of Pakistan.

1) Implementation of long term policies & reduction of Imports

Pakistan has facing energy crisis since from late 20s. By improving this situation every new government announced different policies in which **Alternative & renewable energy policy 2019** that is also based on short term policy. To assist and promote the development of Green energy capacity to 20% by 2025 and 30% by 2023. Ownership to 36 wind

power project in Jhimpir and Ghoro with installed capacity is 1835 MW but due to transmission constrained only 1300 MW be able to dispatch 1300 MW. If infrastructure of transmission is improved and utilized all installed capacity Pakistan will be able to reduce imported coal. According to Arab news, August, 2022 Every day Pakistan is imported 3000 tons coal from Afghanistan to fulfill power sector needs. That is very sad facts.

2) Accountability of IPPs and Circular debt

In the history of Pakistan's power sector def IPPs have a big hand in the default of energy economic crisis. For attracting investor to invest in power sector Government of Pakistan announced **de-risking** initiative by granting two Part tariff **energy payment and capacity payment** in terms of dollar not rupees. As a result, different IPPs established in the country. Moreover their installed capacity is not utilized in the country but its payment still have to pay until these projects valid. That is **RS 1.5 trillion** over the

years. ~~If~~ There is lack of negligence of Government no check and balance on installed capacity. If these IPPs properly ~~are~~ accountability and government will be able to reduce the burden of circular debt and economy of the country will be improve.

3) Increase recoveries, reduce subsidies & Stable peace and harmony

In 2019 DISCOs posted a loss of RS 171bn due to less recovery of pending bills as a result power tariff increase recently it is RS60 in which provide subsidies to end users and protect under 300 units consumers. If Government of Pakistan improve Law and order situation and empower respective officers to field office to get FIR against kunda mafia and bring quick mechanism to recoveries enhance so that not burdened end users and keep society away from social disharmony.

4) Pakistan's energy Potential & economic boost

^{largest} Pakistan is a country where untapped coal, wind corridors and hydro power. According to estimated 50,000 MW wind corridors generate electricity. That is coastal belt of Sindh and Balochistan. Moreover around 60,000 MW electricity produced from hydropower. In addition to it 20000 MW offshore is a golden addition in the strategic location of Pakistan. By utilizing these renewable resources Pakistan will become the hub of energy production. In this way, not only external dependency ended but also boost economy. Unluckily Pakistan's sector and govt only focus on short term policies to so then can save next term of election.

Conclusion

In nutshell, All is well would be if government has implemented on long term policies and invest on renewable resources inspite of heavy reliance on external imported coal. In this way

by changing policies in power sector Pakistan's economy automatically improve as a result social problem like unemployment and poverty solved when more chances of employment produced in the country in renewable energy sectors.