

Q.

Load shedding and ballooning Electricity prices badly hits economy of Pak. Critically evaluate?

(1) Introduction

Pakistan has been facing serious and multiple crisis like political instability, constitutional crisis, security threat, unprecedented economy etc.

1.) one of the severe crisis faced by Country is energy crisis. where state not only face inadequate amount of load shedding but also heavy amount of electric bills.

2.) The energy crisis have far reached negative implications on industries, agriculture, merit need of addressing these crisis are the excellent in order to overcome

in order to overcome the negative implication on the national life of Pakistan.

(2) Main issue that are faces by energy sector of Pakistan.

Problem of energy sector are mainly two.

(1) Load shedding

(2) Expensive electricity.

(2.1) Load shedding.

(1) The energy sector is facing severe load shedding in summer 2024 short fall are 6000 MW. Load shedding in urban area are 4 to 6 hours while in rural area are 6 to hours. in summer 2023 the short fall was above 7000 MW. Load shedding in urban area varies from 4 to 5 hours while in rural area 10-12 hours. Similarly in summer 2022 the

Short fall was above 1000 MW while load shedding in Urban areas 8 hours while rural areas 16-18 hours a day from 2007 till end 2016 short fall varied from 5000 to 8000 MW. Load shedding centers from 2008 to 2016 was around 8 hours a day in rural areas more than 18 hours in 2022-23 dangerous revival of energy

Expensive Electricity is the major problem of Pakistan.

PM Pakistan Said:-

As the country generate more expensive electricity in country in Asia, 3rd expensive electricity in world (PM).

Domestic unit varies from 24 to 65 PKR. The prices of unit decided on the basis of SLABs being introduced by NER. Below 100 units. The cost is almost

28PKRs. including tax and other charges. From 100 to 300 unit SLABS is 44PKRs per unit including taxes and other charges. From 300-600 unit SLABS is 56PKRs above 600 unit the maximum price per unit become 72PKRs

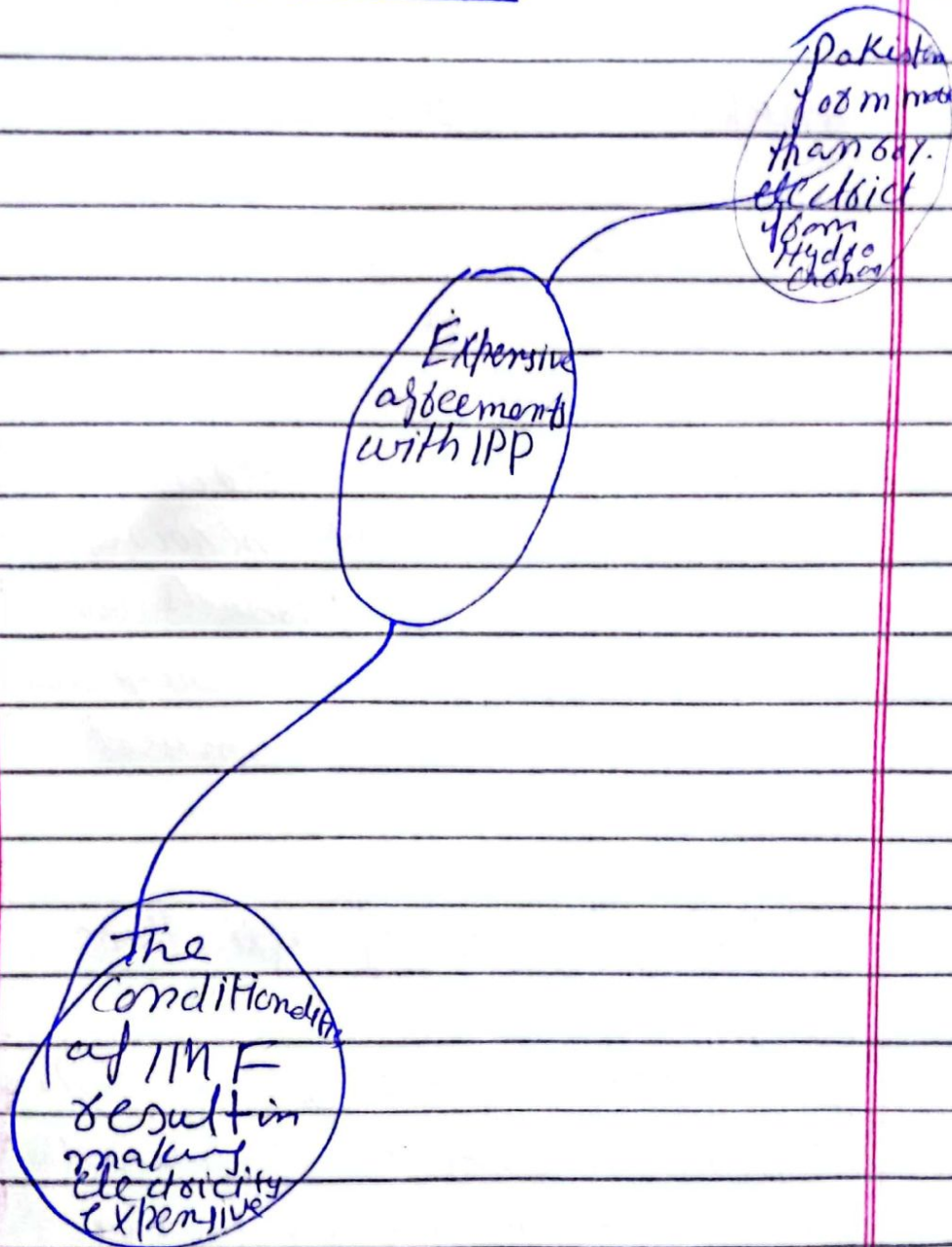
o) in commercial areas.

in market, industries, agriculture its varies from 48 to 90 PKR per unit cost. SLAB are also vary the price per unit. The price was more than three time in the last three years. The cost of domestic unit of slab 300-600 unit 18PKRs in 2022. Now the prices rises more than the 56PKRs.

(4) Reason of Expensive Electricity

(4.1) Pakistan generate more than 60% electricity from Hydrocarbon.

(2) Expensive Electricity Causes



5 implication

(5.1) industry is one of the major and worst hits.

The prices of products are decided on the basis of raw material, Transport cost, labor rate and electricity. Prices of electricity increase means prices of products increase. Pakistan's products are cheap and unable to compete in market which affect industry.

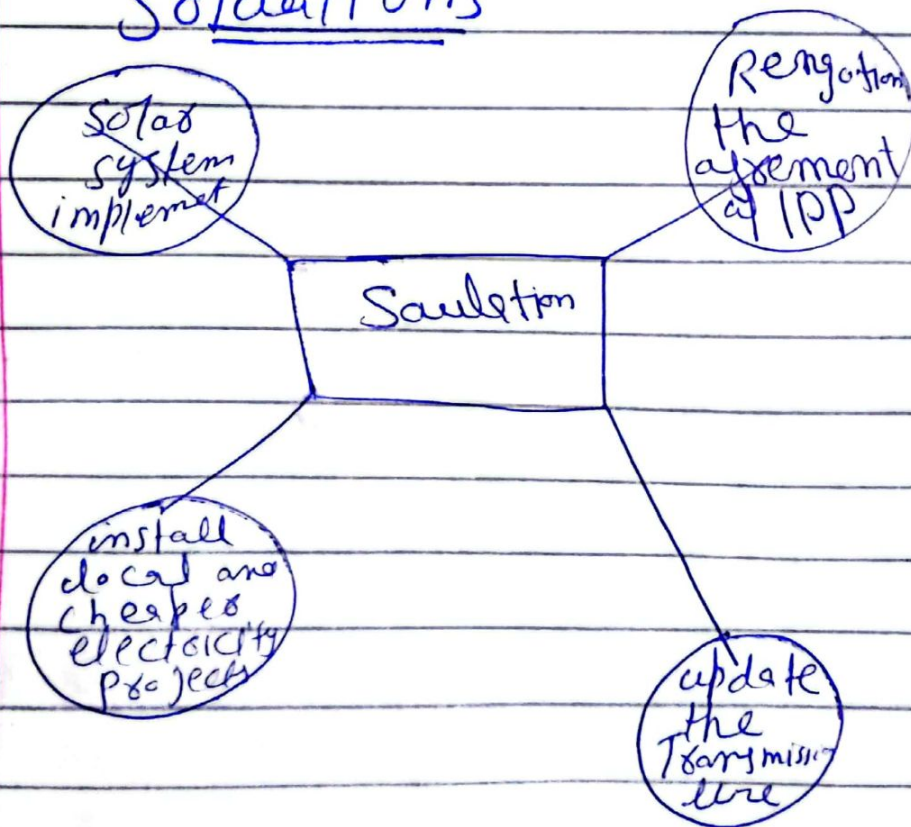
(5.2) Set back of agriculture

Most of the 30% agricultural system on diesel or fuel that are generated by Electricity. The more load shedding set back the agriculture.

(5.3) Domestic dip

More than 40% of the earning of lower middle class is being consumed by electricity bill. It is disturbed the domestic budgets of every household.

Solutions



Critical Analysis

Continuous increasing prices of Electricity are worst the Economic

Condition of Pakistan Most of the industries are closed because the rate of electricity is too high and high priced products are not competitive in international level which cause heavily loss for industries. Domestic life are also disturb heavily amount of bills that lower or middle class people unable to pay.

Conclusion

Above the mentioned steps will be taken, not only cover loadshedding but also decrease the prices of overall unit price. which will be helpful improve economy. and progress of industry again continue

