

Zero rated export sector

## Govt urged to enforce subsidized rates

### RECORDER REPORT

KARACHI: Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has asked the government to help enforce subsidized rates for the five zero rated export sectors up to 7.5 cents a kwh as per the relevant SRO.

In a letter to Abdul Razak Dawood, Federal Commerce and Textile Adviser to the Prime Minister, central chairman of the PHMA, Muhammad Javed Bilwani sought his intervention into the matter to make XWDISCOs and K-Electric comply with the Para 3 of the SRO12(I)/2019 to charge up 7.5 cent a kwh from the zero-rated exporting sectors. He said the electric power suppliers are charging against the government's approved policy on subsidized electricity tariffs. He called it 'deplorable'. "Receipt of bills of January 2019, it revealed that after dividing the amount payable by total units consumed that the respective electricity providers across Pakistan have been charging around 8.7 cents to 9.1 cents," the PHMA points out.

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## Govt urged to enforce subsidised electricity tariffs

By our correspondent

KARACHI: Textile exporters on Wednesday urged the government to bound electricity distributors to charge up to 7.5 cents/kilowatt hour (kWh) from the zero-rated industrial consumers.

Jawed Bilwani, chairman of Pakistan Hosiery Manufacturers and Exporters Association (PHMA) said electricity providers across Pakistan are charging around 8.7 to 9.1 cents/kWh from the industrial consumers "in contravention to the government's approved policy and subsidised electricity tariff net rate of 7.5 cents/kWh".

In January, the power division of the ministry energy revised down electricity tariffs for zero-rated industrial consumers up to 7.5 cents/kWh to facilitate exports. In March last year, the federal government notified the electricity tariff for ex-Water and Power Development Authority distribution companies (XWDISCOs), including fuel price adjustment mechanism.

"In order to further rationalise the payments for zero rated industrial consumer, XWDISCOs and K-Electric are to receive from such zero rated industrial consumer per above, it is hereby notified that payment from such zero rated industrial consumer shall be reduced up to the rate of 7.5 cent /kWh (inclusive of abovementioned special relief package)," the division said.

"For billing purpose of zero rated industrial consumer the dollar exchange rate will be considered as the National Bank day-end dollar sale rate on the last working day of preceding month. The difference between the relevant payment due from such zero-rated industrial consumer... shall be paid to XWDISCOs and K-Electric by the federal government per the notification for rationalisation of process of payment of subsidy." Faisalabad Electric Supply Company (FESCO) charged the highest \$0.091/unit from industrial consumers in January bill, according to PHMA's calculation. That was followed by K-Electric and Lahore Electric Supply Company (\$0.087) and Gujranwala Electric Supply Company (\$0.086).

Bilwani urged Adviser to the Prime Minister on Commerce and Textile Industry to intervene in the matter, take it up with the power division for compliance and enforce the subsidised rates for five zero-rated export sectors up to 7.5 cents/kWh.