

Government of Pakistan  
Ministry of Energy  
(Power Division)  
Power Coordination, Policy and Finance Wing  
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No.PF-05(02)2020

Islamabad the 27<sup>th</sup> March 2020

Subject: **SPECIAL RELIEF PACKAGE FOR FIVE EXPORT SECTORS (ZERO RATED INDUSTRIAL CONSUMERS)**

The undersigned is directed to state that a Summary on "Special Relief Package for Five Export Sectors (Zero Rated Industrial Consumers)" was forwarded to the ECC of the Cabinet for consideration / approval. ECC of the Cabinet in its meeting held on 11<sup>th</sup> March 2020 considered the Summary and approved the proposals contained in **para 9** of the summary. Relevant paras of the summary and decision of ECC of the Cabinet is reproduced as under:

2. **Para "9" of Summary submitted to the ECC of the Cabinet on 11.03.2020**

9. However, given the cautioned litigation and position of the Five Export Sectors, the Commitment to them, was a fixed all-inclusive US cents of 7.5 per unit (kWh) plus taxes, the following recommendations are submitted for consideration of the ECC of the Cabinet;

- a. The Five Export Sectors would be provided electricity at an all-inclusive rate US cents of 7.5 per unit (Kwh) from 01.01.2019 to 30.06.2020 plus applicable taxes;
- b. Electricity bills issued from January 2019 till date which included Surcharges, Quarterly Adjustments, Fuel Price Adjustments, FCC, and NJS will be adjusted to fixed tariff of US cents of 7.5 per unit (kWh). Taxes of the period will be paid by the Consumers in addition;
- c. Finance Division will pay Rs. 23 billion as subsidy for FY 2019-20 to be paid to the Power Division in the first week of July 2020. Rs. 14 billion out of the total Rs. 23 billion will be paid out of the Rs. 24 billion budgeted allocation for the Gas Sector, whereas, Rs.9 billion will be funded through savings from various heads or PSDP savings;
- d. The Rs. 24 billion of gas subsidy reduced to Rs 17 billion by re-allocations, will be made up from various heads or PSDP savings subject to availability at the end of year. The same subsidy of Rs 24 billion will continue for the next financial year as well;
- e. For continuation of relief package in next FY2020-21, additional subsidy will be capped at Rs. 20 Billion.

**ECC of the Cabinet Decision No. ECC-80/09/2020-Dated 11.03.2020**

The Economic Coordination Committee (ECC) of the Cabinet considered the summary dated 11.03.2020 submitted by the Power Division regarding "Special Relief Package for Five Export Sectors (Zero Rated Industrial Consumers)" and approved the proposals contained in Para 9 of the Summary.

3. The decision of the ECC of the Cabinet is hereby communicated for information and further necessary action. Further you are required to submit implementation report to this Ministry at the earliest.

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