

Gas supply issues: SAI threatens to close down SITE factories

President of SITE Association of Industry, Saleem Parekh, announced that all factory owners have decided to close down their factories from Monday and stage protest demonstration in front of Governor House on Tuesday, if gas supply does not improve by tomorrow (Sunday).

The decision has been made at an emergent meeting held at SITE Association of Industry. The members complained about non-availability of gas and if gas is supplied it is with low pressure. Members at the largely attended meeting resolved that from Monday all industrialists would close their factories and would stage protest at Governor House on Tuesday.

Saleem Parekh said that the SAI had urged Federal Finance Minister to give same subsidy to Sindh as given to Punjab on RLNG price on weighted average mix. He said Sindh requires only 50 mmcf/d RLNG subsidy whereas Punjab is enjoying subsidy for 200 mmcf/d.

"The contribution of SITE, being the largest industrial area of Karachi, is 52 percent in Pakistan's exports and its is the source of 64 percent of Pakistan's total tax revenue but it is being treated step-motherly by gas utilities' companies," Parekh lamented.

He said that despite complaints, federal and provincial governments are least concerned to protect employment, exports and tax revenue of the city and province. SAI president Parekh and Media and Publication Committee's Sanauallah Abdullah narrated the problems which SITE industrialists are facing at the moment.

They said low gas pressure is equivalent to having no gas at all. It is a 360 degree turn from government policy of industrialization, export-led growth and development of import substitution industry. Out of 45 days, SITE area suffers due to extreme low pressure for 33 days and total gas closure for 12 days.

SITE industries are losing about 2.5 billion a day owing to SSGC's mismanagement. On one hand, government is allowing heavy UFG (unaccounted for gas) and high-fixed rate of return to gas utilities, on the other, gas utilities' gross mismanagement is a cause of huge loss to exchequer, including substantial foreign exchange loss and tax revenue loss.

Exporters are losing orders and are unable to fulfill their yearend export commitments which would further decrease the country's export that had already been flattened in last 5 months of the current financial year, despite devaluation and incentives announced by the government.

Saleem Parekh said that industrialists of Karachi are unable to understand why Sindh government is not concerned to fight for Sindh's right under Article 158 of the Constitution.

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