MONTHLY

ISSN 2309-6578

ENERGY UPDATE

HAPPY New year

CORONAVIRUS:
How the Pandemic could play out in 2021

Oil Marketing companies involved in hoarding

A year of Unprecedented loss

Delay in Contract signing caused Rs467 b loss

KP Energy Dept unveils two year performance

Commercial import of LNG is the solution

Exclusive interviews of Coporate and Industry leaders

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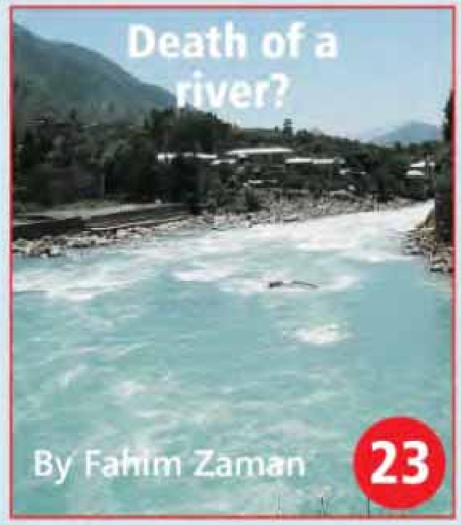

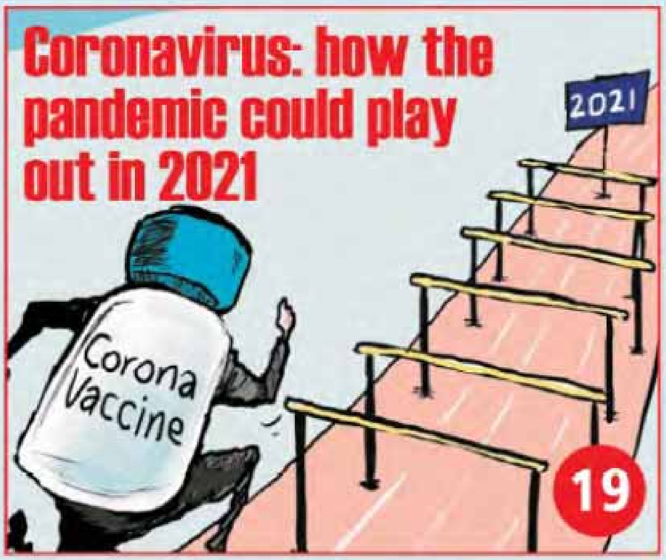

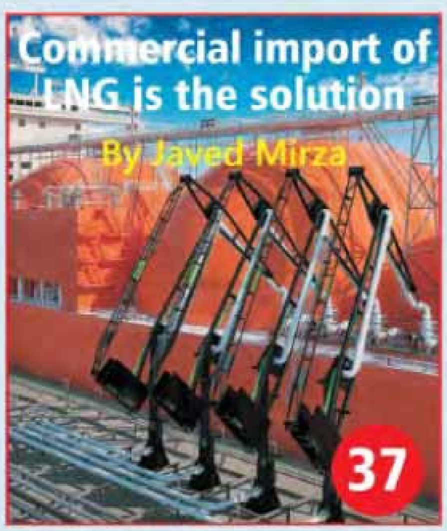

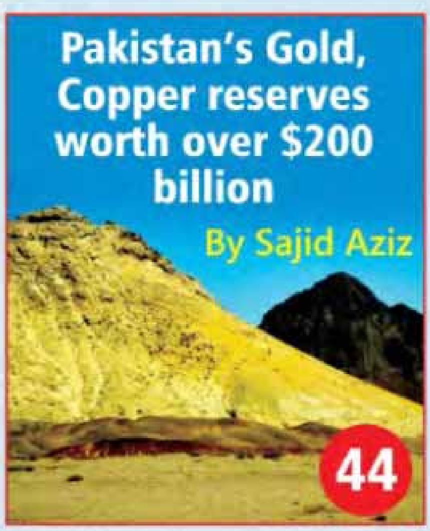

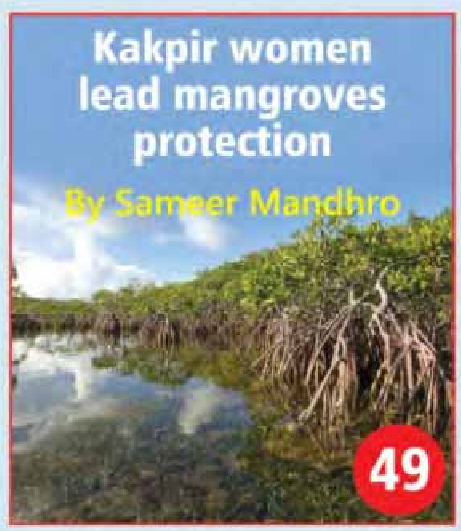

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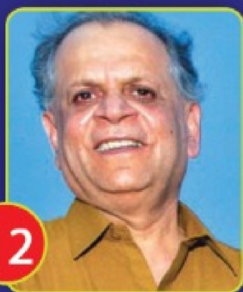

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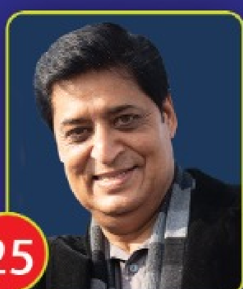

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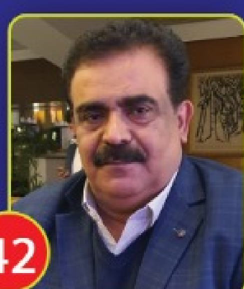

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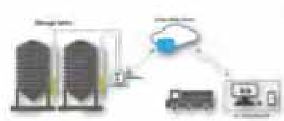

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From the editor's desk...

Countrywide power breakdown a result of sabotage?

While much of Pakistan descended into darkness on Jan. 9, after a technical fault struck the country's national grid. A countrywide blackout has been caused by a sudden plunge in the frequency in the power transmission system.

But according to Secretary Water and Power, Younus Dhaga it was due to an attack by Baloch separatists on transmission lines near Naseerabad in Balochistan caused nearly the entire national grid to trip, shutting down electricity supply to over 80% of the country. The transmission tower blown up was near Notal, a town in Naseerabad district in Balochistan, confirmed Sharbat Umrani, the head of the local police station. The damage to the 220 kilovolt-Amperes (kVA) transmission lines between Sibi and Quetta caused a backward surge of power to the Guddu power plant in Sindh, which in turn caused a cascading effect on the entire national grid. The attack near Notal is the third attack on the nation's energy grid in two weeks in Naseerabad. Later at night, water and power ministry officials said that the Kotri and Uch I power plants had also been restored and that power plants at Tarbela, Mangla and Ghazi Barotha dams. The breakdown followed daylong media coverage of the dangerously low level of furnace oil stock, which helps run a most of the thermal power plants in the country. "We cannot rule out sabotage activity. I am in the control room myself and we are all trying to figure out what has happened," he said. "Our first priority is to bring back this system online." Earlier in the night, there had been speculation that the system had tripped due to a decline in power production as the country's power plants run dangerously low on furnace oil supplies. Dagha ruled out this explanation. "We had pushed up power production to 9,500 MW by evening. Even 800 MW more of hydroelectric power generation was available."

People associated with the power industry said this was expected to happen considering the lethargy on part of government officials especially in arranging furnace oil supply.

It seems that issue of this serious incident would also be closed down without proper investigation by the WAPDA, Ministry of Power and the federal government itself despite the fact it is another black patch on the face of present government.

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A year of unprecedented loss

Services sector records negative growth of 0.6% for first time since 1960s

By Afsheen Mirza

Growth in much of the world's services sector was anaemic in 2020 as industries were worried about the economic destruction caused by the Covid-19 pandemic across the globe. In Pakistan, one of the most hard-hit areas was the services sector, which for the first time since the 1960s recorded a contraction of 0.6% from July 2019 to March 2020, revealed the Economic Survey of Pakistan 2019-20.

Terming services a supporting sector for the economy, senior economist Dr Ashfaque Hasan Khan said the negative growth came on the back of dismal performance of the manufacturing and agriculture sectors.

The services sector has strong backward and forward linkages with other sectors of the economy and contributes significantly to cross-border trade. It complements the production process and is considered the glue that binds various segments and components of finished goods.

However, the gruesome Covid-19 pandemic undermined the increasing importance of the sector in the value chain, creating challenges for policymakers to understand its role and frame policy to support the struggling sector in 2020.

With the objective of curbing the spread of Covid-19, social distancing was implemented, which resulted in a months-long lockdown that severely impacted activity in contact-intensive businesses. Thus, the negative impact was so pronounced that overall performance of the services sector during 2020 remained dismal.

Massive layoffs, bankruptcies and closure of business were some of the outcomes faced by the services sector.

Unfortunately, there is no accurate data available for the unprecedented mass layoffs and furloughs as one of the biggest challenges is statistics of the services sector which are difficult to assess. While on the one hand, restaurants, hotels, tourism, etc were burning down financially due to the measures taken by the government, delivery services on the other hand boomed.

The pandemic, in all means, sent delivery services into overdrive. However, the overall negative growth of the sector overshadowed the positive momentum caused by the boom in delivery services. "There are three important elements that define the services sector; firstly, it employs most of the people, secondly, it is a small-scale sector and lastly, there is no job security as most of the workers are hired on a contractual basis," said a director of Pakistan Institute of Labour, Education and Research (PILER). He stated that Prime Minister Imran Khan had constantly stressed that there should be no layoffs and companies would be supported in paying salaries to their employees on time.

However, there was no check and balance and moreover, no labour census was available because nobody was ready to share data. "Despite the presence of complaint centres in labour departments, workers avoided filing complaints as they feared the wrath of their employers," he revealed. One of the first sectors which was badly affected by Covid-19 was the hospitality sector as it was on the forefront and borne a negative impact of the global crisis. "The initial three to four months were tough for the entire sector," recalled an official of a renowned hotel. "Nevertheless, businesses picked up after the first wave of coronavirus. The industry responded well to seasonal demand and helped hotels recoup some of the losses."

He added that the ban on international travel coupled with increased local travel turned out to be fruitful for resorts and helped them recover losses. "Because of that the second wave did not affect business as it did during the first wave of Covid-19." Shedding light on layoffs, he said it was one of the toughest decisions for a company to make. "However, now as business is picking up, hotels are recalling their trained staff.

Looking at 2021 as a year of recovery, he remarked, "Despite the looming challenge, we are optimistic that in the new year, businesses will improve and profitability will increase. While in a scenario where there were restrictions on dining and takeaways, delivery services enjoyed the freedom of working. "We saw a 20-25% increase in delivery services after the first wave of Covid-19," revealed All Pakistan Restaurants Association (APRA) Convener Ather Chawla.

"While on one hand, several businesses were shutting down, on the other hand several virtual brands were launched and reaped benefits of the soaring delivery demand."Virtual restaurants are food service businesses serve customers through "hidden" kitchens exclusively by delivery based on phone orders or online food ordering. Endorsing Chawla's views, Careem spokesperson said year 2020 had been like no other year, especially in terms of digital transformation witnessed in Pakistan. "The pandemic paved the way for growth of e-commerce while enabling people to move towards a digital lifestyle," he added. With people staying indoors, services like food delivery, banking and online shopping recorded a significant rise.

He was of the view that considering the current customer trend, the food and delivery business would undoubtedly pick up pace significantly. However, with good comes bad. The APRA convener lamented that unfortunately where food delivery apps enhanced the reach of restaurants, these aggregators - the food delivery apps - also exploited the positive momentum and caused disruption within the working process of many restaurants.

"Restaurants were laying off staff to reduce their cost of working; these aggregators were hiring riders to expand their service; a major employer shift was observed in the restaurant industry," he stated. Another major industry which suffered was the transportation and commutation sector. While public transport had been hit hard, ride-hailing services were no different. "At the start of the pandemic, we had to temporarily suspend our services in some cities in Pakistan until the government and regulatory authorities saw ride-hailing services safe to be resumed," the Careem spokesperson stated. "Initially, the business went down but we saw a decent recovery after relaxation in lockdown and we are extremely optimistic that we will see an uptrend in the ride-hailing services in 2021." Shedding light on the future of the services sector, Karamat Ali added that the services sector had no capacity to create job opportunities independently. "To increase performance of the services sector, we need to move towards industrialisation, which in turn will help improve performance of the services sector."■

Sales in grows in petroleum sector

Despite rising COVID-19 cases, Pakistan's industrial sector shows a recovering trend due to the Government's smart lockdown policy, according to a recent tweet on the State Bank of Pakistan's (SBP) official twitter page.

SBP reports that easing of lockdowns has resulted in growth in power generation and petroleum product sales during the first quarter of FY 21. Power generation witnessed a negative trend during the last three quarters of FY20, however power generation increased by almost 2% in 1Q FY21. Similarly, sales of petroleum products also started improving due to the smart lockdown policy. Although petroleum product sales were falling during FY20, 1Q FY21 witnessed an increase in sales. The increasing trend was witnessed in 4Q FY20 when lockdown policy was eased. Despite this increase in petroleum product sales, the prices of petroleum products witnessed a significant increase of up to 7.9 percent in the wake of an increase in global oil prices. According to the Finance Division the rates of various petroleum products increased with different ratios. The price of petrol has been increased to Rs103.69 per litre from Rs100.69 per litre, while the rate of HSD has risen to Rs108.44 per litre from Rs105.44 per litre in the first half of the current month.■

Pak-China Cloud signing Ceremony held

The Cloud Signing Ceremony of the Sino-Pakistan International Gene & Cell Technology Research & Transformation Center Project was held the other day. The business venture between China and Pakistan by the Biotech & Biomedicine (Shenyang) Group and Dynamic Engineering and Automation (DEA) Group Pakistan for development of Gene & Cell Technology Research & Transformation Center has further added a new drive to the collaboration between both countries in health care.

During his speech, Commercial counsellor of Pakistani Embassy in China Mr. Badar uz Zaman mentioned, Shenyang Biotech is a strong company specializing in pathogen detection, biological reagent and stem cell etc. while Dynamic Engineering and Automation (DEA) is in market for the last 20 years with a strong influence both with national and foreign counterparts. The setting up of the research center and the university will facilitate Pakistani students in their research and it will also contribute towards Pakistan's economy as well, he added.

Addressing during the ceremony, Li Junyuan, Deputy Director of Belt and Road Initiative Construction Promotion Center of National Development and Reform Commission, highlighted that this alliance is a vital step for us to continue our active support in Pakistan in responding to the epidemic and improving public health care, and to make new contributions to building a closer, more beneficial and higher-quality China-Pakistan community with a shared future.

Ms. Fareena Mazhar, Secretary Board of Investment (BOI) also mentioned during her speech that China has always been a strong business partner of Pakistan. She also mentioned that Prime Minister Imran Khan is always welcoming health initiatives in Pakistan. "This venture will definitely make a visible impact in the health sector of Pakistan and I will nominate an official from BOI to become a focal person for this project," she added.

Chairman Biotech, Prof Yin Xiushan highlighted that this venture could provide technical support for the research and development of various pathogen detection kits and rapid testing equipment, and effectively enhance the ability of epidemic prevention and control in Pakistan, which is of great significance.

On the occasion, Mr. Owais Mir CEO Dynamic Engineering and Automation (DEA) mentioned that this venture shall build a high-tech communication platform between Biotech and relevant government departments, universities and institutes in Pakistan. He assures the Chinese partners of unequivocal support and relentless efforts by DEA to make this grand project a great success.■

Timely Purchases of LNG is Critical for Sustained Growth

Private Sector procurement of LNG will transform Pakistan's gas sector – Iqbal Z. Ahmed

Exclusive interview of CEO/Chairman, Associated Group

Pakistan GasPort Ltd (PGP) intends to change the current method of using pipeline for natural gas supply in the country with a virtual gas pipeline to be built through a system of trucking. Chairman and CEO of Associated Group, Iqbal Z Ahmed, disclosed this during a recent exclusive interview session conducted by the Energy Update about energy issues of Pakistan. He continues to say that.......

By M. Naeem Qureshi

Energy Update: As per your opinion, what are the reasons behind the current natural gas crisis in the country?

Iqbal Z Ahmed: It is because of the late ordering of LNG. The ongoing gas crisis could have been averted had the Government bought in cargoes in time. Forecasts indicated the growing market gap in energy demand especially as a result of the plummeting local gas production. All this can be far more efficiently managed if the private sector were to be facilitated by the Government to bring in its own LNG cargoes and sell directly within the private-sector.

EU: So what is the way forward in your opinion?

Mr Ahmed: A forum must be convened by the Government to bring in all the multiple stakeholders in the LNG landscape—LNG terminals, endusers, and the regulator to streamline the process for introducing the idea of a multiuser LNG terminal in Pakistan wherein entities from both public and private sectors bring in their LNG cargoes, under an inter-user framework, as per the global norms at multi-user LNG terminals in places like Italy and Lithuania.

A decision was made by the Government in July last year to allow third-party access (TPA) to private firms to import LNG and sell directly to customers in the private sector. The matter regarding revenue sharing formula between the Government and the terminal operators though is yet to be agreed upon despite the fact that a cabinet committee was constituted in August headed by the deputy chairman the Planning Commission.

Private-sector initiatives to unlock the excess capacity of existing LNG terminals must not become constrained by red-tapism especially when the existing LNG terminal operators are seeking no product off-take-guarantees or financial assistance from any of the Government bodies.

We firmly believe that the private-sector imports of LNG will bring in the product at a much more competitive pricing and be a game-changer for the energy sector in Pakistan. Our own terminal, Pakistan GasPort Limited, has excess capacity of 150 mmcsfd which we can immediately utilise to provide guaranteed supply and competitively-priced LNG for industries and the power sector in and around Karachi. The opportunity cost of not having imported LNG cargoes at the right price around in August-September period for Winter months has been manifest in gas loadshedding and rationing to industries.

For optimal decision-making and implementation, the

Government must strive to remove these bottlenecks that have led to the present state of paralysis in policy-making and created the unnecessary gas shortages in the country.

EU: What is your advice to the government concerning the energy situation?

Mr. Ahmed: Energy sector is in dire need of an overhaul to avoid the recurring circular debt issues and adopt an optimal energy mix for the country. For base-load electricity production and industrial requirements, LNG is the best way forward for plugging the energy demand-supply gap. We need to have an energy roadmap for the country that envisages a 10 year economic development trajectory. For its implementation, we require driven and dynamic people. The Prime Minister himself is known for being an out-of-the-box decision-maker. He should preside over the energy roadmap and its implementation so that the objectives of energy security and economic interests are achieved and we become a middle-income country by say 2025.

EU: Would you share more detail about your business?

Mr. Ahmed: The JJVL (Jamshoro Joint Venture Ltd) has been closed since June. The federal cabinet made the decision to restart it but four months have passed since a file in this connection was sent to a ministry for its opinion as the file is yet to be returned.

EU: What is the upcoming venture of the PGP?

Mr. Ahmed: The PGP has signed an agreement with Gwadar GasPort for doing a project of 200 MMCFD gas supply. We will bring two FSUs for the project as one of the FSU will permanently stay for the project having the built-in technology to directly fill LNG in the tank trucks. We will supply this gas directly to our consumers having consumption of 1 MCF per day for their own usage. It will form a virtual gas pipeline. This project will create no burden on the government. The project needs no financing, off-take, or guarantee from the government. It will all be done offshore. The project is coming here as a major investment. Just in the last year, China sold 23 million tonnes gas alone through trucking. The United States, South Korea and many other countries have been using this method. All of these countries adopted this model to change the method of gas supply from piping to trucking. We have already identified 100 of our customers as we are going to approach them with the proposition that this project would end their headache about availability of energy as afterwards all they are required is to fully concentrate on their businesses.

EU: When would the commissioning of this pioneering project be completed?

Mr. Ahmed: We intend to commission the Gwadar LNG Project by Sept this year. The Project will be entirely set up in the private-sector at around $60 million. We have applied to the Government of Balochistan for NOCs and approvals and plan to complete these formalities very soon. The scope for further such projects within Gwadar or Karachi exists. We have taken the first move in the country and achieved key milestones which we will share with the public soon. The project will be a boon for the free economic zone in Gwadar as we will offer critical energy for port industrialisation at reduced rates. The energy multiplier through the creation of industries and jobs for the local population will catapult Gwadar as a leading port in the region. We are assessing incentive packages for industries in Balochistan so that the wider province benefits from this transformational project.

EU: What are the other upcoming projects of your company?

Mr Ahmed: We also want to install an integrated LNG terminal at Port Qasim. We want to use our existing terminal at Port Qasim to import rich LNG to extract LPG from it. We want to make our country having surplus LNG so that we are able to export it from here. We don't have any issue in this regard as neither there is any problem of investment nor that of technology. We don't need any money or guarantee from the government as all we need is a kind permission to achieve the task. ■

Exclusive Story

Oil marketing companies involved in hoarding

OMCs made Rs8 billion through extortion, Oil Commission's report

By Sajid Aziz

Scandal after scandals and then government takes notice of every scam, holds inquiries, reports submitted and charge fixed and then what happens next............? Nothing doing, but is seems that the Imran Khan's government is playing with the public woes while letting lose each and every Mafia operating in the country.

Another commission of inquiry formed in July this year to probe into a sudden shortage of petrol in the country has noted that one of the reasons behind the crisis was a lack of coordination among the departments working under the Petroleum Division. This is revealed in the report of Federal Investigation Agency (FIA) led inquiry panel. The commission has submitted its report to Prime Minister Imran Khan who has asked the relevant officials to present it before the federal cabinet in its meeting to be held soon.

The report available with the Energy Update said oil marketing companies (OMCs) were primarily responsible for the shortage of the fuel that hit the country in early June as they deliberately stopped supplying petroleum products to pumps despite having considerable stocks at their disposal.

It said the OMCs made from Rs6 to Rs8 billion during the June oil crisis by committing every illegality in "business as usual" manner. It said the crisis period between June 1, to June 26 needed to be discussed specifically to see how the OMCs fared during this time.

"The prices of MS [petrol] were substantially cut on May 31 and the new price was set at Rs74.52 per liter [in view of lowering oil prices in the international market].

It said as the OMCs would incur a substantial Inventory loss by free sale in June, they took the easy way out to simply slow down or dry out supplies, against all legal and moral norms.

"Consequently, the shortage of MS began to surface across Pakistan and the filling stations gradually became dry, denying the public at large to reap the benefit of this substantial price cut."

It said the OMCs, in contravention of license conditions, slowed down the supply of petrol to their filling stations. On a lesser scale, the filling stations also held back on whatever stock they had in their tanks.

"All OMCs [other than the Pakistan State Oil (PSO) and Shell] proportionally held on to their stocks with knowledge of anticipated rise in prices. This has been proven during ground check of filling stations and records submitted by the OMCs with affidavits," the report said. During this period of crisis, it said, the OMCs showed sales on paper but the ground check of filling stations across Punjab clearly revealed that the OMCs were well short on supply.

"It is clear that all OMCs had a fairly good idea of a price increase of at least Rs20/liter and thus illegally hoarded their stocks during the crisis, stripping the public at large of billions of rupees." It said the PSO being a state-owned entity could not follow this illegal suit due to the prevailing situation. Consequently, its market share in the period of shortage increased by nearly 20% and consequently, it sustained a loss of Rs7-8 billion in the process.

"Likewise, Shell, to some extent, also tried to keep pace with the situation and fared much better than other OMCs. Shell also posted a loss of more than Rs8 billion in the first two quarter of 2020." The report said the Ministry of Petroleum and the director general (DG) oil also failed to ensure uninterrupted supply of the fuel while the governmental institutions working under the Petroleum Division also failed to check the stock of oil marketing companies.

"During the period of crisis, the Oil and Gas Regulatory Authority (Ogra) being the regulatory body remained as apathetic to the situation as a non-functional entity could be. "Ogra did issue show cause notices to 9 OMCs and fined them a total of Rs50 million. However, the show-cause notices were devoid of any authentic/quantified detail and seemed more of a ritual used as a defensive ploy on part of Ogra. "Further, the 9 companies very conveniently paid a paltry sum of Rs25 million – 45 % of the total fine imposed – and went into review against the penalty," it said. The report noted that Dr Shafi-ur-Rehman Afridi, a veterinary physician by training, was appointed as the DG Oil. It noted that Dr Afridi had no previous experience of working in the oil sector.

"The posting of the incumbent as well as previous DGs Oil has also been found against the approved criteria/rules. The current DG-Oil Dr Shafi-ur-Rehman Afridi is a grade-20 officer of the Office Management Group (OMG) and with no previous experience related to the post of DG Oil.

"This fact reflects gross violation on the part of MoEPD and its non-seriousness to attend to the issues and functioning of the office of the DG Oil that plays a pivotal role in the oil/petroleum industry of Pakistan."

The report said Imran Ali Abro – a research officer/contract employee from Inter State Gas Systems has also been working in the Petroleum Division for the last 6 years against the rules.

"Interestingly, scrutiny of the personal file of Mr Imran Ali Abro during subject inquiry proceedings has revealed that the DGs Oil have been writing to the concerned private company under MoEPD for his regularization of service and extension in his contract period against the rules," it said.

The commission also highlighted the issue of oil smuggling through Taftan border with the apparent connivance of government agencies. It said Rs240 billion worth oil is smuggled into the country. "The question arises as to how such a huge amount [of petrol] gets across the Taftan border and further across the country with multiple agencies working to curb this menace." It said the inquiry revealed that this huge quantity is brought in 50,000 liters tankers via road from Iran. The border check-posts are primarily manned by Frontier Corps (South) assisted by Pakistan Customs.

"It is not possible that these huge tankers can cross the Iran border on any other route on the bare-backs of mules or humans. On condition of non-attribution, sources revealed that the smuggling is carried out in connivance with the government agencies.

"Once the smuggled goods are inside Pakistani territory, they are further transported to Sindh, Punjab and the K-P. The rate of delivery, however, varies with destination."

It said the smuggling by sea route must also be of huge volumes. The report said the assessment of loss to the exchequer and the economic impact through this mode of smuggling is difficult to assess. "However, the commission would strongly recommend a deeper probe with respect to dubious functioning of BYCO Refinery," it added.

The report proposed taking harsh punitive measures against the people and institutions responsible for the crisis. The commission also included in the report the questions it asked from the Ministry of Petroleum as well as the ministry's replies.

Adviser to Prime Minister on Accountability and Interior Shahzad Akbar confirmed in a tweet that the report has been received and would be presented before the federal cabinet very.

The Petroleum Commission's report would be made public after the federal cabinet's approval. "Transparency and accountability is the hallmark of the PTI government," he added. The federal cabinet in July 29 approved a proposal for the constitution of a commission of inquiry to investigate the causes of the shortage of petrol that hit the country in early June last year.

However, the Commission's report neither made public nor any one taken to task and punished. In this tiny country of less than 250 million population, the strength of oil marketing companies has risen to 66 from just 13 previously as compared to India's less than 10 companies having a huge market of over 1.4 billion. ■

Ali Hamdani appointed MD SNGPL

The Board of Directors of Sui Northern Gas Pipelines Ltd (SNGPL) has appointed Ali J. Hamdani as managing director (MD) of the company for a period of three years.

Earlier, the prime minister had approved the appointment of Ali J. Hamdani in the federal cabinet meeting held on December 15, 2020. Hamdani has more than 30 years of experience in managing international businesses, particularly in energy, power, water, chemical and healthcare sectors. Prior to joining the SNGPL, he remained associated with a number of leading international companies, including Siemens AG, Linde Healthcare and Schneider Electric. He has proven record of positioning organisations for success, spurring billion-dollar sales growth, leading global initiatives, and demonstrating a profound dedication to client satisfaction. ■

Construction of Diamer Bhasha Dam initiated

The 2020 proved to be an exceptional year for water and hydropower sectors in the country, as the Pakistan Water and Power Development Authority (WAPDA) succeeded in achieving the historic milestones in the two sectors during this year. Besides generating highest-ever low-cost hydel electricity, WAPDA also initiated construction work on the long-delayed mega multi-purpose Diamer Basha Dam Project in 2020.

As per the details, WAPDA hydel generation continued to surge during 2020 too. As many as 22 hydel power stations owned and operated by WAPDA across the country generated 38.3 billion units, which is the highest-ever generation in a year. This record generation includes 12.08 billion units from Tarbela, 4.98 billion units from Tarbela 4th Extension, 6.48 billion units from Ghazi Barotha, 5.76 billion units from Mangla, 4.93 billion units from Neelum Jhelum and 4.07 billion units from rest of the hydel power stations.

WAPDA hydel generation in 2020 stands 3.8 billion units more, if compared with that of 2019, benefitting the country with about Rs.53.2 billion, as the national exchequer had to bear the brunt of Rs.53.2 billion if this additional electricity would have been generated through thermal source. Removing obstacles in the way to implementing the project, WAPDA started in July this year construction of Diamer Basha Dam - a vital project for water, food and energy security of the country with gross water storage of 8.1 million acre feet (MAF), live water storage of 6.4 MAF and power generation of 4500 megawatt (MW). Despite Corona Virus Pandemic, construction work continued satisfactorily on Mohmand Dam during 2020. The project was initiated in May 2019. With completion of Mohmand, Diamer Basha, Dasu and several other on-going projects from 2024 to 2029, hydel power generation will enhance from existing 9389 MW to about 20500 MW - more than double - with addition of 11122 MW. Similarly, live water storage capacity in the country will also increase from the existing 15.1 MAF to 23.4 MAF with an addition of 8.3 MAF. ■

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ABB's Electrification Business strengthens position in Pakistan - Loay Dajani

Exclusive Interview of Lead Business Manager, Middle East and Africa, ABB Electrification

EU: What potential do you see in the electrification sector of Pakistan and how do you plan to exploit that potential?

LD: Pakistan, with its urban population of around one hundred million people has tremendous growth potential and our ABB Electrification Business is seeing steady growth.

We see increasing investment in renewable generation and a change in the behaviour of the consumers. Since the power demand is increasing, the generation and distribution network need to be reliable and decentralized. Here, we see that the demand for the type tested switchgear - both medium and low voltage is also increasing in Pakistan, especially after the ABB technology transfer licensing program to our channel partners, which has helped create more awareness in the market.

We are constantly innovating our offer and that helps position ABB as a leader in all Utility projects. In Pakistan, we have also supplied and installed E-Mobility charging solutions and fast DC chargers in many cities across the country.

EU: Which segment of electrification will ABB focus on and what are the long-term plans for Pakistan?

LD: As the world becomes more digitally enabled and customer behaviour is shifting to automation, we see many opportunities arising. For the Electrification portfolio, ABB in Pakistan has a greater focus on the distribution of energy in areas like utilities, renewable energy, e-mobility, data centres and large infrastructure projects. We are keen to work with all the major projects and customers in Pakistan.

EU: Low cost Chinese products are a big challenge for many major brands in the world? How ABB is planning to handle the situation in Pakistan?

LD: ABB believes in value-based selling where we offer the lowest life cycle cost to our customers and complement it with well-trained local service teams. ABB has added partners in the local market after an extensive global due-diligence process. With ample stock, quality and the right pricing, we are already on the right path and showing sustained growth in Pakistan. We have already established solid brand awareness and customer loyalty.

EU: Following the divestment, what will be your key priorities in Pakistan and how will your clients in the region benefit from this new development?

By Engr. Nadeem Ashraf

LD: In Pakistan, there is pressure to upgrade the grid like in Europe and America and the necessity to produce cleaner, more efficient energy is a key priority for the Government. This will require intensive monitoring of the network, consumption points and assets. ABB's products are designed for a distribution network able to be monitored in real time from the substation to home devices.

Following the divestment of Power Grids to Hitachi, the Hitachi ABB Power Grids joint venture is focused on transmission and sub-transmission while ABB will continue to concentrate on solutions across the full electricity distribution value chain. This will cover power distribution, e-mobility, decentralized renewable integration and energy storage systems.

EU: What are some of the existing market challenges that you think will be addressed by the new changes?

LD: One of the key challenges would be to integrate the increasing renewable sources like solar and wind and decentralized generation sources whilst ensuring grid stability. A high level of renewables in the energy system requires reliable back-up capacity. Another challenge is line losses and improper load management in distribution companies.

The challenge can be solved by increasing the interconnection capacity of the grid or investing in energy management/storage to balance the demand and the supply. Distribution Automation will help power distribution companies to manage better line losses and proper load management with selective tripping. This needs a strong focus on digitalization and digitally enabled products, specifically in the low-voltage and medium-voltage part of the network, which ABB is driving with several digital solutions across its ABB Ability™ platform.

EU: How do you see the utility market evolving over the next 5 years?

LD: If we look at the global transformation which is taking place in the utility sector, we can anticipate that some of those trends will also arrive in the next five years in Pakistan. Ten years ago, much of the utility sector in Pakistan had a largely integrated model including conventional generation, renewable, transmission, distribution and supply but the energy landscape is getting diverse with decentralized generation and renewable integration.

Most of the traditional utilities are now transforming themselves and their business models to become more agile, with both European utilities/standards and Chinese investors accelerating transformation in Pakistan. The speed of change will depend on the regulation authorities, but distribution companies are planning projects of automatic meter reading and distribution automation. Transmission utilities are planning to shift to the digital grid gradually.

EU: What future do you see in terms of investment opportunities in the energy sector of Pakistan?

LD: There are many exciting opportunities in the energy sector under CEPC (China Pakistan Economic Corridor) as well as in the renewable sector. We are collaborating with Chinese EPCs in China to have ABB equipment in CPEC and complementing it with local service and after sales team. We are supplying many global and local players in solar and wind with our products and components and further developing solutions for the interconnection within the solar or wind facilities.

EU: What is the vision of ABB in Pakistan for the next 5-10 years?

LD: We will continue strengthening ABB's positioning in the country. ABB will continue to be a principle player in the energy transition so we can continue to transform and enable safe, smart and sustainable business and communities. We are focusing on a more decentralized, efficient and reliable distribution of energy. Our focus in the Electrification business will continue to be on the development of digitally enabled sustainable products and the development of software solutions that support utilities to reduce their operations cost and help them transform and build a new era in energy.

EU: ABB is pioneer in Electric vehicle charging facilities in the world. Popularity of EVs are increasing in the Pakistani Market. But for EVs to be practical, a lot of infrastructure development is still required from charging stations to electric supply. Does ABB have any plans specifically for the EV industry in Pakistan?

LD: ABB is a global leader in e-mobility, having sold more than 17,000 DC fast chargers across more than 80 markets. Specifically looking at Pakistan, ABB is looking to leverage that global e-mobility expertise to facilitate local EV adoption. have supported many pioneering e-mobility projects in Pakistan.ABB has supplied and commissioned the first commercial EV Charger in Pakistan at the GO Fuel Station located in Lahore. We have delivered and commissioned DC fast EV Charger to Attock Petroleum Limited for their first public EV charging station in Islamabad, Pakistan.

ABB EV chargers have also been commissioned at the Audi Service Stations in three cities including Karachi, Lahore and Islamabad.

ABB is in contact with all oil marketing companies, vehicle manufacturers, importers and infrastructure developers to have the EV charging network across the country.

EU: What are some of the main problems you see in the electrification sector of Pakistan which in your experience must be resolved on a priority basis?

LD: There is a room for improvement in the Electrification sector of Pakistan where ABB, as global leader, wants to highlight some key areas and opportunities.

a. Utilities are traditional in their approach and must adapt the equipment specifications to support the rapidly changing grid.

b. Distribution automation is necessary to curb unnecessary load shedding and essential for utilities as they adopt grid automation.

c. Announcement of special tariff for EV Charging to attract investors in fast charging networks and working on payment terminals

d. Addition of outdoor Load Breaker Switches / Breakers on overhead feeders in distribution utilities to have ease of load management and selective tripping. ■

Courtesy Engineering Post

Coronavirus: how the pandemic could play out in 2021

Vaccines for COVID-19 are now being rolled out, but in some parts of the world, this good news has been tempered by the emergence of new, potentially more infectious strains of the virus. Exactly how the pandemic will evolve has become more uncertain. Certainly, the next three or so months will be challenging, and a virus-free life is probably some way off. Some things may not return to how they were before.

Predicting exactly how things will play out is difficult, but there are some things we can forecast with a relative degree of confidence. With that in mind, here's what we can expect from the coming year.

There's currently only limited information about the new viral strain. Although yet to be confirmed, it appears to be more infectious, but not to lead to more severe disease or be able to evade vaccine-derived immunity. However, the variant suggests the virus is able to produce significant mutations, and further mutations could change the course of the outbreak. Suppressing the pandemic quickly therefore has become an even more urgent task. Stricter restrictions on behaviour are likely to last well into the new year, and we may need further restrictions to control the virus if it is indeed more infectious. Producing enough vaccine doses is a big task – production might hit a bottleneck. Even assuming we can make all we need, immunising people will take many months.

Vaccinating a large part of the population is a massive undertaking. To illustrate the size of the task, look at an average English GP, who looks after nearly 2,100 people. Assuming a GP works eight hours each day, needs five minutes to vaccinate someone, and each patient needs two shots, it would take them more than six weeks to see all their patients – and that's before taking into account the other work GPs need to do, as well as limits on how many people can safely be vaccinated simultaneously at a single practice. Others, of course, will help with the roll-out, but this shows the size of what's ahead. Additionally, the two doses of the Pfizer vaccine need to be given 21 days apart, with full immunity arriving seven days after the second jab. Other vaccines – such as AstraZeneca's – require an even longer period between doses. It will take at least a month (if not more) to see the full effect in each vaccinated person.

In countries that relaxed social distancing rules for Christmas, we might see a post-Christmas spike in cases. In this case, vaccines are unlikely to change much initially – the disease will have too much momentum in early 2021. This will also probably be the case in the UK thanks to the new strain of the virus, even though restrictions weren't lifted for many. Public awareness of the disease's momentum is needed, to avoid loss of confidence in vaccination. After people have had COVID-19 (or received a vaccine), they become immune (at least in the short term). Those infected later then increasingly have contact with immune people rather than susceptible ones. Transmission therefore falls and eventually the disease stops spreading – this is known as herd immunity. The level of immunity across the population needed to stop the virus spreading isn't precisely known. It's thought to be between 60% and 80%. We're currently nowhere near that – meaning billions around the world will need to be vaccinated to stop the virus spreading.

This also relies on vaccines preventing transmission of the virus, which hasn't yet been proved. If it is, we'll see a decline in COVID-19 cases, perhaps as early as spring 2021. However, lockdowns and other measures will still be needed to limit transmission while vaccination builds up population immunity – particularly wherever the more infectious strain of the virus has taken hold.

In contrast, if the vaccine only prevents infected individuals from becoming seriously ill, we will be left relying on infections to build up herd immunity. In this scenario, vaccinating the vulnerable would reduce the death rate, but serious illness and long COVID affecting younger people would likely persist.

Vaccines aren't a silver bullet – some level of precaution will need to be maintained for months. In areas where the highly infectious strain is rampant, high-level restrictions may last until vaccine roll-out has finished. Any changes will come slowly, primarily in the area of care home visits and re-opening hospitals for regular treatment.

In time, travel will hopefully become more straightforward, though airlines might start requiring vaccination certificates. Although some countries require vaccination against yellow fever for entry, requiring immunity passports for COVID-19 is likely to prove contentious. Mask wearing might become a social habit globally as it is now in Asia – for example when somebody is not feeling well or is concerned for their health. Can vaccination lead to eradication of the virus? We don't yet know how long vaccine-based immunity lasts – and long-term immunity will be key. Fully eradicating the virus will be very difficult and will require a global effort. While we've got close to eradicating polio, smallpox remains the only human disease we've fully stamped out, and this took almost 200 years. Measles, for example, although nearly eradicated in many countries, keeps coming back.

Some vaccines, like measles, give nearly lifelong protection, whereas others need to be repeated, like tetanus. If COVID-19 mutates regularly and significantly – and its potential to do so has just been demonstrated – we may need to take new vaccines periodically, like we do for flu. In the long term, we would also need to vaccinate children to maintain herd immunity. The social and economic effects of the pandemic will probably be long-lasting too. Perhaps life will never return to what it was before. But it is up to us to make it safer by being better prepared for future pandemics.■


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Tariff collection must be ensured in power sector :Zhao Yonggang

Exclusive interview of CEO of China Power Hub Generation Company (Pvt.) Ltd

China Power Hub Generation Company (Pvt.) Ltd. CPHGC is a priority project of the China Pakistan Economic Corridor (CPEC), located in Hub, in the province of Balochistan, it is joint collaboration between China's State Power Investment Corporation (SPIC). The $2 billion project includes 2x660 MW power plant and a dedicated jetty that provides 9 billion kWh of uninterrupted electricity to the National Grid every year, meeting the electricity needs of 4 million households in Pakistan.

CPHGC celebrated its commercial operations date on 21st October 2019 when the Prime Minister of Pakistan, Imran Khan, visited the Plant.

SPIC is a Fortune 500 company and one of the top five producers of electricity in China, an integrated energy group with power at its core. HUBCO is the largest Independent Power Producer (IPP) in Pakistan with a combined power generation capacity of over 1600 MW.

We recently got in touch with Mr. Zhao Yonggang, CEO of China Power Hub Generation Company (Pvt.) Ltd and had n intimate talk about one of the premier success stories of China Pakistan Economic Corridor. He continues to say in his interview..........

EU: What is the contribution of China Power Hub Generation Company (CPHGC) to the cause of overcoming energy crisis in the Pakistan?

ZY: As you know, CPHGC has greatly helped in easing the electricity crises in Pakistan. So far, since our COD our net generation has been 8876 GWh of clean uninterrupted electricity, the Plant has been operating continuously, even during the pandemic in the process meeting all our critical parameters of success.

EU: To what extent the CPHGC got support from the different stakeholders in setting up a new power generation plant in Pakistan?

By M. Naeem Qureshi

ZY: CPHGC has had tremendous help from our stakeholders from both China and Pakistan. First of all our Chinese sponsor State Power Investment Corporation was the first CPEC sponsor that showed confidence in the team and went for the largest CPEC power project in Balochistan. It was as a result of this trust that enabled the consortium of 6 banks to sign the $1.5 billion financing agreement for CPHGC. Of course, our local partner, HUBCO,which as you know is the largest Independent Power Producer in Pakistan too made this success possible. Based on SPIC and HUBCO's strong support to the company in every aspect, we were able to build this huge plant in record time, well before the deadline set by the government.

We are greatly thankful to the Government of Pakistan and the Government of Baluchistan for their support. I would like to share a vote of thanks for Pakistan's energy sector organizations, such as NEPRA, PPIB, CPPA-G, NTDC and other government organizations including the Board of Investment whose support played a pivotal role in our success.

EU: What are the advantages of your power plant?

ZY: It is with immense confidence I share with that we are operating a supercritical eco-friendly power plant. We have deployed world class technology at the Plant which has resulted in high efficiency. Power generator is from GE and other critical components of plant are based on European technology. Our annual power dependable capacity is outstanding in Pakistan. We have invested nearly 10% of our construction cost in environment-friendly facilities that have enabled us to deliver uninterrupted eco-friendly electricity.

We have a dedicated coal jetty allowing us to import coal directly, that has lessened the burden on the port facilities in Pakistan and circumnavigate the road congestion issues that the other coal plants in Pakistan are facing. Our coal yard is custom built for the CPHGC plant. With its capacity to hold 120 days of coal stocks not only is it the largest coal yard in the country, it makes CPHGC self-sufficient to meet nonstop electricity demand for more than a quarter, despite the international coal supply chain challenges.

The boiler units being used for this project are state-of-the-art supercritical technology based, with main stream temperature of 571.4 °C, and main stream pressure of 25.63MPa. This super critical technology is the widely used to improve the entire efficiency, to lower the cost of fuel and to cut down the emissions. I would like to share with your readers, the good news. In October we successfully completed the 2020 annual capacity test. This shows that all our equipment and systems are at par with standards both in China and in Pakistan.

EU: What measures have CPHGC taken for the environmental protection?

ZY: The seawater desulfurization process makes the desulfurization efficiency more than 90%. Also, Electro Static Precipitators (ESPs) are installed to control particulate matter emissions in this project. Low NOx (Nitrogen Oxides) burners for burning of pulverized coal are specially designed to reduce NOx (Nitrogen Oxides) emission in comparison with other burners.

As mentioned earlier, nearly 10% of the cost of the CPHGC Project has been deployed on technologies for pollution control. According to the Environment and Social Impact Assessment (ESIA) approved by BEPA, the project will follow all NEQS (National Environment Quality Standards) standards.

We are also focused on making our Plant a model Green Plant. We will work with local partners and contractors in turning our open arid spaces into green canopy bustling with flora and fauna. We will plant indigenous flora, greatly contributing to the greening of the surrounding landscape. As you can imagine, this is not an easy task but this is part of the environmental measures that we are committed to.

We are also committed to ensuring the protection of sea life. Our jetty has been designed in a way that does not hinder the flow of seawater allowing the fish to swim past uninterrupted. We routinely have the seawater around tested and are meeting the requirements set forth by the Balochistan Environmental Protection Agency (BEPA).

Prime Minister Imran Khan inaugurated China Power Hub Generation Company (Pvt.) Ltd

EU: In your viewpoint, what are the major challenges in energy sector being faced by Pakistan?

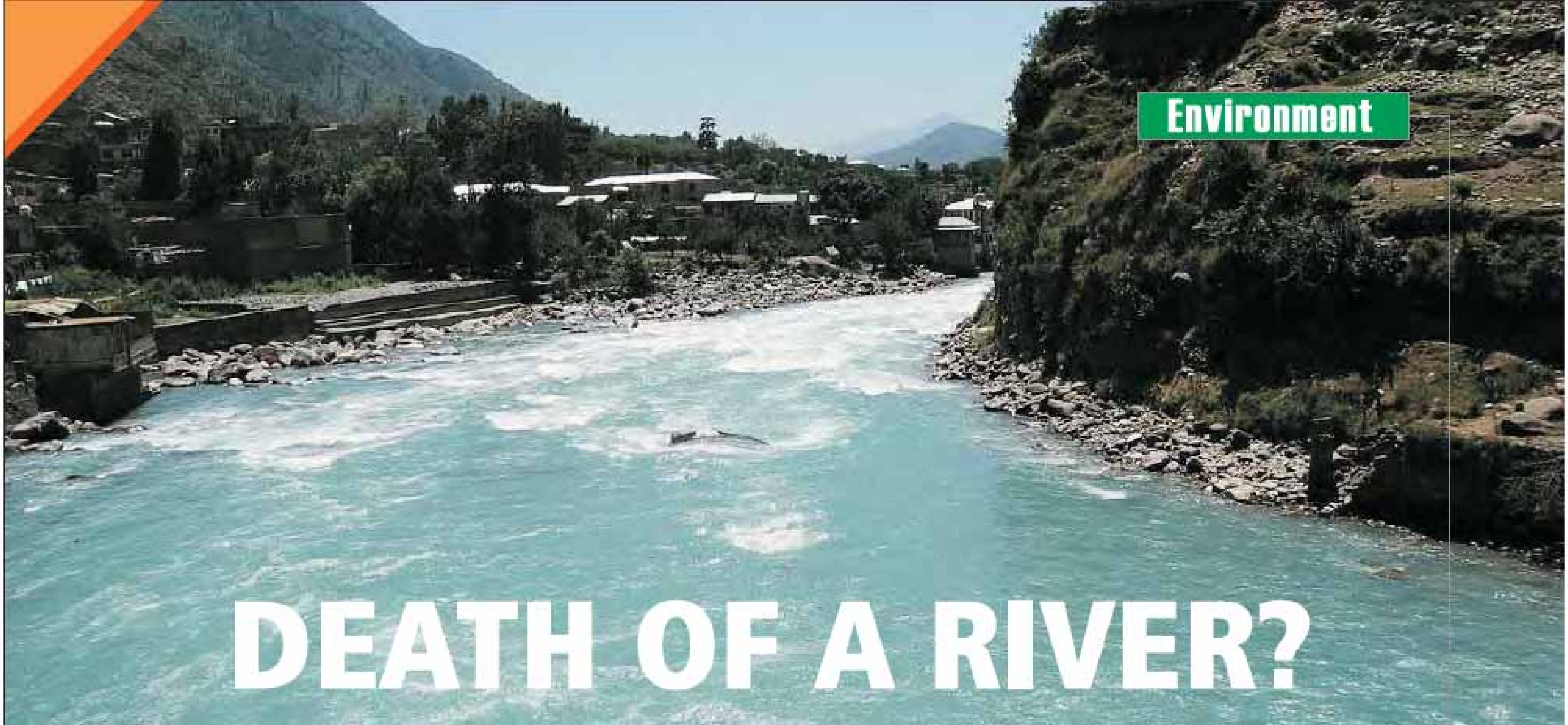
ZY: There will always be challenges for a growing economy like Pakistan. The country is geared to become a major electricity producer and with the help of joint ventures as well as foreign investment it can harness the natural advantage into powerful economic growth engine and generate employment at large. However, challenges remain. Ease of doing business is one. Investors seek simple procedures in setting up enterprises. For the power plants it's the tariff collection that is major challenge that I hope the authorities will take care of on a priority basis.

EU: What are the initiatives of the CPHGC and its future plans under its CSR obligations?

ZY: We have had an active CSR program even before the start of construction in 2016. We had an opportunity to help the people of the locality and we wanted to do something that would help them in the long run. The underlying issue was employment for the local youth. We immediately commenced a program and after screening hundreds of applications with the help of Hunar Foundation, we sponsored the education of 30 local students. Job opportunities were offered at our Plant to those technically qualified students who were willing to work at the plant site in accordance with our workplace polices.

It gives me immense pride to say that CPHGC has been at the forefront of community-based initiatives since the beginning. Our CSR initiatives take their direction from the government. We are willing to assist the local government improve the lifestyle of locals. And we are thoroughly focused in helping the people of Hub, Lasbella.

We have spent more than 130 million rupees in various CSR projects and have committed millions more for the coming years. Our CSR initiatives include one-of-a-kind Floating Jetty at Allana Goth, a TCF School in Gaddani, COVID-19 supplies and ration bags to the locals at the height of the lockdown, a football ground at a local school and much more. You will see in years to come we will have more CSR projects for the surrounding communities that will help to increase their standard of living. ■



DEATH OF A RIVER?

By Fahim Zaman

Driving from Gilgit to Kaghan, the glittery alpine scenery on the Karakoram Highway (KKH) abruptly changes to a rather desolate - but equally breathtaking - landscape, as one crosses the Indus at Raikot Bridge. A sharp left turn and a hair-raising 45-minute jeep ride to Tattu village, followed by a 2-hour trek, put you in pole position for a night stay at the 13,000-feet-high Fairy Meadows.

The meadows offer a dazzling view of the 'Killer Mountain', Nanga Parbat, the world's ninth highest peak at 26,660 feet. On KKH, 50 kilometres ahead lies Chilas - the gateway to the Kaghan Valley. And after another 30 steep and twisty miles, the dazed driver is on top of Babusar - a mountain pass at 13,700 feet in the north of the valley.

The Kunhar River basin is a humid, sub-tropical zone. Thick forests are still present across the valley but, because of extensive exploitation, thickets are mostly found in the unapproachable areas, especially on the higher slopes.

Another 15 miles from Babusar Top leads to emerald green waters, gleaming with the reflection of the snow-capped mountains fencing Lulusar Lake; the centre of the faerie Lulusar-Dudipatsar National Park. But signs of gradual environmental degradation and callous human behaviour - indicative of unsustainable tourism and a runaway native population growth rate - are starting to show. The Lulusar-Dudipatsar National Park and the Saiful Muluk National Park are true representatives of the alpine ecosystem and an excellent landscape that harbour scores of unspoilt alpine lakes, rich in their unique fauna and flora.

The degradation of the Kunhar River seems to have started in Lulusar, but it does not end there. Due to heavy erosion and subsequent degradation, especially in the upper reaches of the valley, these beautiful alpine lakes and glimmering streams are under tremendous threat of erosion and extensive sedimentation.

The North-West Frontier Rivers Protection Ordinance, 2002 prohibits construction in the bed of the river. The ordinance also forbids lifting of the gravel in the riverbed. And yet, unfortunately, Kaghan Valley and Kunhar River are both playfields for the well-heeled.

A drive from Battakundi to Kiwai is a sombre testament to the ignorance and callousness of the locals and visitors alike. Heading towards Naran, once considered to be the jewel of the Kaghan Valley, one comes across excavators, dumpers and other earth-moving machines crawling near Sahoch Bridge, inside the riverbed.

Locals feasting in Naran's Punjab Tikka House say that this is the biggest-ever gravel lifting operation they have witnessed in the Kunhar riverbed and that the excavations are being carried out round the clock for the last six months, in full view of public and district authorities. The culprits were also able to brandish leases issued to them by the Khyber Pakhtunkhwa (KP) Mines and Minerals department. According to sources in the district authority, their attempts to stop riverbed mining also attracted the ire of none other than the Secretary, Mines and Minerals, KP.

Locals estimate that around 75 dumpers cross the Naran Bypass everyday, loaded with 8-10 cubic metres of sand and gravel from the riverbed near Sahoch, to the Suki Kinari Dam construction site. This dumper traffic has rendered Naran Bypass in complete shambles. It is estimated that, during the last six months, 125,000 cubic metres, or 200,000 tons, of gravel and sand has been lifted from the riverbed.

The Suki Kinari Hydro Power (SKHP) is an under-construction, run-of-the-river hydropower project being constructed some 20 miles downstream Naran on Kunhar River at Paludrah. The project was originally conceived in 1960 but remained dormant until March 2005, when the Private Power Infrastructure Board invited proposals for its construction. Yet, the project could not advance beyond the feasibility stage for one reason or the other.

Recently, Suki Kinari got a new lease of life. It is now being built under the China Pakistan Economic Corridor's (CPEC's) 'Early Harvest' projects. In August 2016, the KP government awarded the contract to a Sino-Pak consortium led by the Chinese state-owned Gezhouba Group and the SK Hydro group on a 'Build, Own, Operate and Transfer' basis. The Suki Kinari project cost is estimated at 1.8 billion US dollars and is being financed by the Industrial and Commercial Bank of China.

After completion, the dam shall be 54.5 metres high and 336 metres wide. The two-gated spillways and a three-kilometre long reservoir shall hold 9 million cubic metres of water. Its four turbines are expected to generate 870 MW of electricity. However, not only is the dam likely to disturb fish populations and silt-flow downstream, the sand and gravel lifting for its construction upstream will affect water-flow gradients during floods and create more erosion that could lead to the dam silting up at a much faster rate, impacting the long-term feasibility of this expensive project.

According to sources in the Mansehra district administration, there are 257 blatant encroachments in the Kunhar riverbed and its tributaries. The district administration claims that they plan to move against these soon. Near Sahoch a hotel is being built on an acre of land that's either reclaimed in the riverbed or barely on t he left bank of the Kunhar. Either way, it's in violation of general prohibitions under the River Protection Ordinance 2002. It is widely alleged to be owned by a retired lieutenant general of the Pakistan army.

Naran town is situated on the left bank, about a mile off Kunhar River. Dozens of hotels have also been built on two sides of the Naran-Saiful Muluk Road. The town has changed beyond recognition during the last 10 years, with hundreds of densely built hotels, shops and restaurants in the town centre dominating the scenery. More than 60 percent of the 5,000 or so hotel-rooms in Kaghan valley are cramped up in less than a quarter of a square mile, with an equal number of rooms sprouting up in Naran by the day.

Further up in the mountains, Lake Saiful Muluk, another key contributor to the Kunhar River, is located at the foot of Malika Parbat, east of Naran. The lake is rich in biodiversity, stuffed with large brown trout, many species of blue-green algae and over two dozen species of vascular and flowering plants. About a mile long, and half a mile wide, with an average depth of 150 feet, Saiful Muluk covers an area of over 12,000 acres, and is categorised as a glacier-fed lake. It is part of what is classified as a 'permanent snow, alpine meadow'. Once known for stories of leprechauns dancing on its clear blue waters, Saiful Muluk is also racing towards an environmental disaster.

Occasionally, used baby diapers and other refuse can also be seen floating in the once pristine blue waters. Many auto-workshops have also cropped up near the lake for the emergency service and repair of vintage Toyota Jeepsters, which are the primary means of transport for the tourists. Most of these open-air workshops service overheated engines, faulty hydraulics etc.

The land around the Kunhar tributary from Saiful Muluk drops 2,500 feet along the six-mile road to Naran, and belongs mostly to the forest department. However, several massive hotels are fast cropping up between the road and the Saiful Muluk nullah. Some of these hotels are encroaching well into the bed of the stream, known for flash floods. The largest of these hotels being built is in the name of Shamail Khan, son of another retired general, and encroaching on 200 feet of the nullah bed.

According to one of the directors of the KDA, the provincial secretary of his department, who raided the subject hotel, "appeared extremely remorseful the next day for having done so." However, the North-West Frontier Rivers Protection Ordinance, 2002 provides that:

(1) Where an offence of encroachment upon a river or its tributary or indiscriminate disposal of solid waste or flow of untreated water into a river or their tributary is committed by a body corporate or a firm, then every director, manager, secretary, or officer of servant of the body corporate, or every partner, manager or official actively concerned in the conduct of business of such firm, as the case may be, shall be deemed to have committed the offence, unless he proves that the offence was committed without his knowledge or that he used all his efforts to prevent the commission of such an offence.

(2) Any offence committed by any person under this Ordinance shall be deemed to have been committed at the instance of the owner, landlord, employer, lessor, licenser, mortgagor, manager and any other person in charge of the premises, building or land for the time being, and the burden of proving otherwise shall lie upon such person.

On the matter of punishments, the Ordinance states:

(1) Whoever is found guilty of an offence under the provisions of this Ordinance, shall be punished, with imprisonment which may extend to six months, or with fine which may extend to five hundred thousand rupees, or with both: Provided that the punishment of imprisonment, in no case, shall be less than one month and the amount of fine, in no case, shall be less than ten thousand rupees.

(2) Whoever fails to remove an encroachment within ten days of the receipt of a legal notice shall also be punished with the same punishment as mentioned in subsection (1)

For thousands of years, sand and gravel have been used in the construction of roads and buildings. However, unregulated sand mining has resulted in the erosion of riverbanks, increasing flooding and causing a severe threat to biodiversity.

The illicit gravel and sand mining in the Kunhar riverbed is a serious cause of concern for environmental experts. Mindless excavation lowers the riverbed in different spots, which results in localised changes in gradient and sudden consequent increase in flow velocities. During flood seasons, an abrupt change in bed-gradient amplifies the rate of bed erosion, triggering massive quantities of gravel and sand to move downstream.

According to sources in the Mansehra district administration, no government agency has conducted any study to assess as to where or how much sand and gravel mining is possible in the bed of Kunhar River. The chief secretary has written a letter to the Mines and Mineral secretary saying the river sand and gravel [that] is widely being exploited as aggregate for construction is often mined directly from the river channel, floodplain and adjacent river terrace deposits." The chief secretary's office had added that KP Chief Minister Mahmood Khan had ordered a halt to riverbed mining in a recent cabinet meeting, claiming that the impact on the environment was much more than the revenue generated for the government from such activity.

Of late, Pakistan has been struck by more than a dozen furious storms, followed by massive flooding, substantial loss of lives and damage to infrastructure. Such events match the World Meteorological Organisation's projections of frequent and intense weather events during the years to come.

"Due to human interventions, usually illegal mining and in-bed constructions by the powerful and the greedy, water channels erode laterally and vertically," Ayub tells Eos. "Such activities result in flooding, and damage to the natural habitat of endangered species and existing infrastructure in and around the channel." While Kunhar River is an integral part of Pakistan, it is also a natural habitat for many fishes.

It is high time we take thoughtful action and learnt to co-exist with nature. We must let the rivers flow freely, and not force them to fight back.■

Basic idea of launching AirSial is to do public service – Fazal Jilani

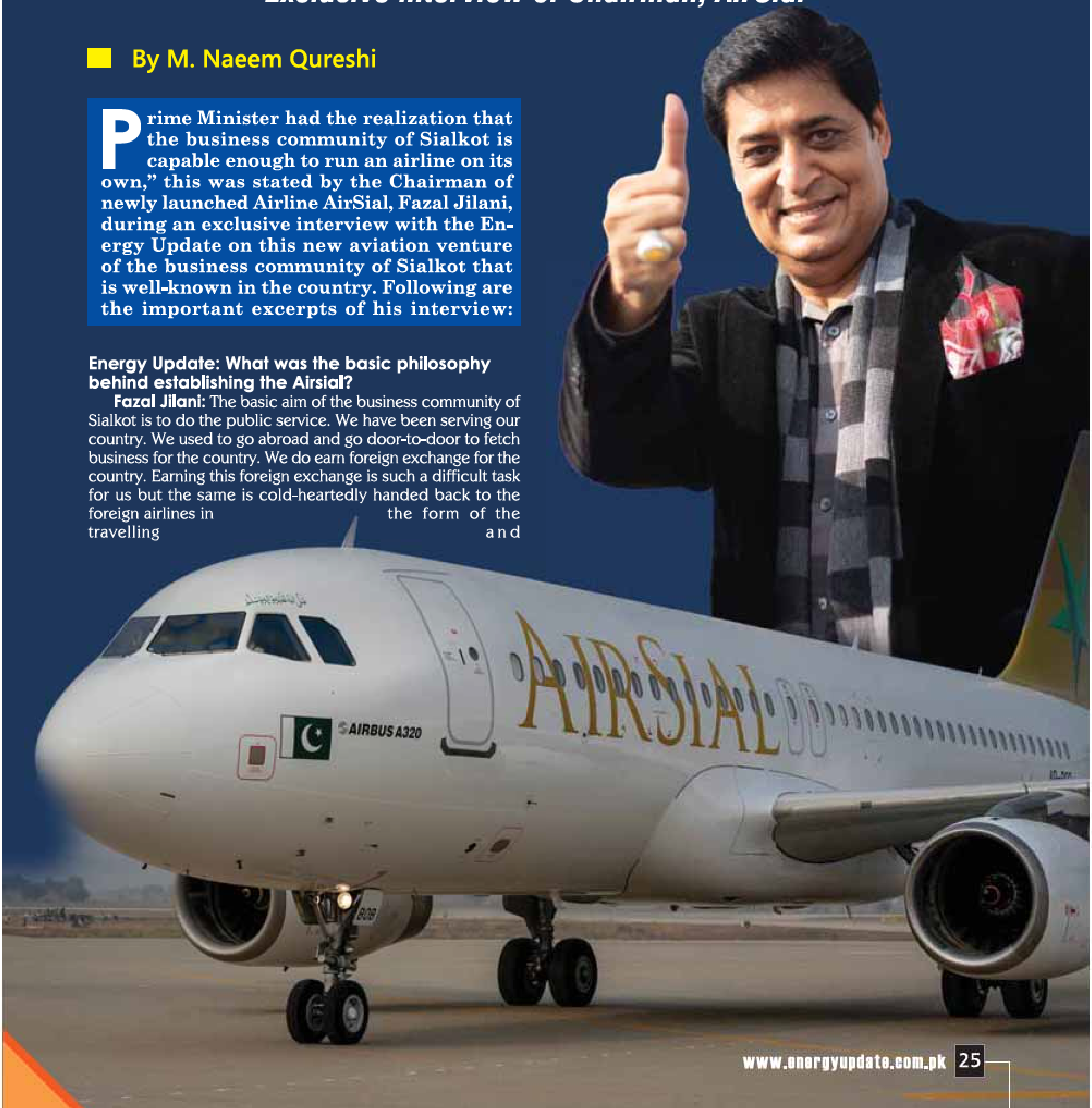
Exclusive interview of Chairman, AirSial

By M. Naeem Qureshi

Prime Minister had the realization that the business community of Sialkot is capable enough to run an airline on its own," this was stated by the Chairman of newly launched Airline AirSial, Fazal Jilani, during an exclusive interview with the Energy Update on this new aviation venture of the business community of Sialkot that is well-known in the country. Following are the important excerpts of his interview:

Energy Update: What was the basic philosophy behind establishing the Airsial?

Fazal Jilani: The basic aim of the business community of Sialkot is to do the public service. We have been serving our country. We used to go abroad and go door-to-door to fetch business for the country. We do earn foreign exchange for the country. Earning this foreign exchange is such a difficult task for us but the same is cold-heartedly handed back to the foreign airlines in the form of the travelling and



imports. This was the main motive behind the move to establish our own airline. There is a massive gap in this sector of Pakistan. We are a country of 220 million people and only three air carriers are serving here. There exists a big potential both in the domestic and international travelling. So after consulting our friends, we decided to establish our own airline.

EU: What difficulties you encountered while doing the airline project?

Fazal Jilani: Yes we have faced many difficulties in this regard as mostly they were related to the government but the relevant authorities also helped us a lot in resolving them. Usman Dar, Aviation minister and secretary helped us a lot. Director General of Civil Aviation Authority, and all other relevant departments also helped us. Prime Minister Imran extended special assistance in this regard. PM realized the fact that this upcoming airline is not owned by any single person as this venture belongs to the business community of Sialkot who possessed the ability to run an air carrier on their

own as earlier they successfully did the projects of dry port, airport, and road network in Sialkot. In his speech, the PM has exclusively mentioned the realization of this mega project that this community is capable of delivering.

EU: So how's the experience since launch of the AirSial?

Fazal Jilani: We have been operating the flights of our airline since December 25, 2020 as we have been getting good feedback about its service. I have just arrived here in the city on a flight of our airline. There were 168 passengers onboard the flight as I went to every passenger and came to know that everybody was happy. Passengers on the flight were happy with the hospitality of the airline. But again it is a fact that you can't satisfy anyone 100 per cent. We too have to face the difficulties, one has to face at the launching of an airline.

EU: What is the detail of the business plan of AirSial?

Fazal Jilani: It is worth mentioning that we have launched our airline in the midst of the Covid-19 crisis when the aviation industry in the entire world has been experiencing a downfall. We have the plan to continue with our domestic service for one year. After one year, we will induct two more airplanes into our fleet for international service. In this first phase of our international service, we will go to Saudi Arabia and rest of Middle East, in the second phase we will start service for the Far East, in the third phase, we will go to Europe, as in the final phase we will go to the North America. As far as our business plan is concerned, we will do our best to secure the stage of break-even in our first year. But our foremost priority is to achieve customer satisfaction on the basis of our service.

EU: What are the salient features of your airline?

Fazal Jilani: We have the distinction of being the first airline in Pakistan to use engineering software from the first day of our operation. We also possess the distinction of being the first airline in Pakistan to bring here the flight operations software as this fact has also been verified by the CAA about our pioneering status in the country. Moreover, we have been providing free of charge travelling to a passenger accompanying a coffin on our flight. The same facility will remain valid after the launch of our international flights.

EU: What is mode of investment involved in the AirSial project?

Fazal Jilani: Airplanes of our airline are on a dry lease. The paid-up capital of our airline is Rs four billion as our authorized capital is Rs five billion.

EU: What is the detail of Sialkot airport project?

Fazal Jilani: The Sialkot airport project was also launched in the year 2007-08. It is also a community-based project. This project was not conceived to earn money as it was launched to earn a good reputation for our city. ■

Event Report

10th Fire Safety & Security Convention & Awards 2020

By Mustafa Tahir

Sindh Govt to take emergency corrective measures to overcome worrisome shortage of fire tenders, firemen in Karachi: LG Minister

Sindh Information and Local Government Minister Syed Nasir Hussain Shah has said that the provincial government is taking emergency corrective measures to repair the faulty fire engines and overcome the shortage of staff being faced by the Karachi's fire brigade.

"I recently visited the Central Fire Station near Civil Hospital and came to know about the worrisome situation that only 14 fire tenders out of total 44 are operational in Karachi while the city's fire brigade is also facing shortage of staff," said the Local Government minister while addressing the 10th Fire Safety & Security Convention-2020 as its chief guest. The National Forum for Environment & Health (NFEH) organized the convention in collaboration with the Fire Protection Association of Pakistan (FPAP).

He said the Sindh chief minister was also aware about the situation as he (the CM) had ordered measures to immediately repair the faulty fire engines, snorkels, and also to overcome shortage of staff for the city's fire brigade.

He said that the Sindh government was also in the process of procuring more fire tenders and snorkel for the city.

He said that fire engines were also being brought for other cities of the province.

He said that the Sindh government was fully aware of its responsibilities that it had to ensure fire safety and protection in all cities of the province.

The Local Government minister said the Karachi's fire brigade would also get new fire tenders from the federal government.

He said the provincial government would take care that the proper resources remained available to operate and maintain the fire engines for the Karachi's fire fighting system.

He said the Sindh government would also, establish fire stations in the industrial estates of the city.

He paid tribute to the martyred firemen of the city's fire brigade who had laid down their lives while participating in emergency fire fighting operations in Karachi.

The Local Government minister acknowledged that the city's fire-fighters in total disregard for their own safety perform

Saleem uz Zaman, Tariq Moen, Salman Rasheed, Imran Taj, Saeed Jadoon, Engr. Nadeem Ashraf, Wajahat Khan, Syed Azim, Naeem Yusuf, Zulfiqar Ali, Wasif LAeeq, Shahid Masroor, Saquib Ejaz and others speaking at the event

their emergency duties despite having insufficient resources and equipment.

He assured to the FPAP that the provincial government would ensure implementation of the fire safety provision in the building code.

Also speaking on the occasion, President of Korangi Association of Trade & Industry Saleem uz Zaman said the KATI would meet the operational and maintenance expenses of the two fire tenders it would soon get from the federal government to deal with any fire emergency in the Korangi industrial area.

He said the KATI much like other associations of the industrial estates in the city gave much emphasis on fire safety and protection of the industrial units as for the purpose it conducted training and awareness programmes.

Tariq Moen, General Secretary of FPAP, said the concerned civic agencies including the Sindh Building Control Authority and cantonment boards should ensure due implementation of the Fire Safety Provision-2016 as part of the building code for the safety of the commercial and high-rise buildings.

Imran Taj, FPAP, said the programmes like the Fire Safety & Security Convention went a long way in encouraging the commercial establishments, industrial units, and real estate companies to adopt proper fire safety arrangements for the protection of their precious human resource and infrastructure.

He said the FPAP would continue to collaborate with the concerned governmental and non-governmental organisations to conduct training and awareness sessions to help promote the culture of fire safety in the country.

Nadeem Ashraf, NFEH Vice-President, said the Fire Safety & Security Convention for the past consecutive 10 years had been serving as a common platform for all the concerned stakeholders to get together and properly review the situation of fire safety in the country.

Advocate Nadeem Shaikh, CEO EHS Saquib Ejaz Hussain, Country Head Orient Energy Systems Wasif Laeeq, HSE Head HUBCO Salman Rasheed, Chief Fire Officer KPT Saeed Jadoon, Fire Expert Dr. Altaf Afridi, Manager EHS Shifa Int'l Hospital Zulfiqar Ali, Deputy Controller Civil Defence Sindh Shahid Masroor, Former Chief Fire Officer KMC Naeem Yousuf, Head of HSE HBL Syed Azim Uddin, Heena Jamshed, Joint Secretary NFEH Khalid Iqbal and others also spoke on the occasion.

Following organisations were given awards on the occasion by the Local Government Minister on the ?basis of their excellent performance in the field of fire safety and protection: AGI Denim, Archroma ?Pakistan Ltd, Artistic Denim Mills Ltd, Barrett Hodgson Pakistan (Pvt) Ltd, Beltexco Ltd?, Colgate Palmolive ?Pakistan Ltd?, Coronet Foods (Pvt) Ltd?, EFU General Insurance Ltd?, EHS Services, Engro Elengy Terminal ?Ltd?, Engro Fertilizers Ltd?, Engro Vopak Terminal Ltd?, Enviro Pak, Fauji Fertilizer Bin Qasim Ltd?, Fauji ?Fertilizer Company Ltd (Mirpur Mathilo), Fauji Fertilizer Company Ltd (Goth Machi Sadiqabad), ?Glaxosmithkline Consumer Healthcare (Pvt) Ltd Jamshoro, Habib Bank Ltd?, Huaneng Shandong Ruyi ??(Pakistan) Energy (Pvt) Ltd?, Kay And Emms (Pvt) Ltd?, K-Electric Ltd?, Kia Lucky Motors Pakistan Ltd?, Lucky ?Cement Ltd, Lucky Landmark (Pvt) Ltd?, Martin Dow Ltd?, Mondelez Pakistan (Pvt) Ltd?, Orient Energy ?Systems (Pvt) Ltd, Pak Arab Refinery Ltd, Pakarab Fertilizers Ltd,? Pakistan Accumulators (Pvt) Ltd,? ?Pakistan International Bulk Terminal, PharmEvo (Pvt) Ltd,? Premier Cables (Pvt) Ltd, Scilife Pharma (Pvt) ?Ltd, Shahbaz Garment (Pvt) Ltd.? (Spinning Unit) - Midas Safety, Shan Foods (Pvt) Ltd, Shifa International ?Hospitals Ltd, Soda Ash Business, ICI Pakistan Ltd,? Syngenta Pakistan Ltd,? Thal Engineering, UCH Power ??(Pvt) Ltd,? Wilshire Laboratories (Pvt) Ltd,? Yunus Textile Mills Ltd.■

10th Fire Safety 2020 Award Winners

AGI DENIM

ARCHROMA PAKISTAN LIMITED

ARTISTIC DENIM MILLS LIMITED

BARRETT HODGSON PAKISTAN (PVT) LIMITED

BELTEXCO LIMITED

ENGRO FERTILIZER

ENGRO VOPAK TERMINAL LIMITED

FAUJI FERTILIZER COMPANY LTD. (MIRPUR MATHILO)

FAUJI FERTILIZER COMPANY LTD. (GOTH MACHI SADIQABAD)

GSK

HUANENG SHANDONG RUYI (PAKISTAN) Energy (PVT)LIMITED

KAY AND EMMS (PVT) LIMITED

KELECTRIC

KIA MOTORS

10th Fire Safety 2020 Award Winners

LUCKY CEMENT LIMITED

LUCKY LANDMARK

MARTIN DOW

PAKARAB FERTILIZER

PAKISTAN INTERNATIONAL BULK TERMINAL

PARCO

PHARMEVO

PRIMER CABLE

SCILIFE PHARMA (PVT) LIMITED

SHAHBAZ GARMENTS

SHIFA HOSPITAL

THAL ENGINEERING

WILSHIRE LABORATORIES (PVT) LIMITED

YUNUS TEXTILE

Another anti-people decision by the PTI

Govt to increase oil companies' commission

By Khaleeq Kiani

Amid declining oil prices, the government is likely to increase profit margins of oil marketing companies (OMCs) and dealers' commission by 16 per cent without completion of a market study as was promised last year. The ministries of finance and planning and the Oil and Gas Regulatory Authority (OGRA) are currently examining a formal proposal, moved by the energy ministry's petroleum division, before a meeting of the Economic Coordination Committee (ECC) of the cabinet takes a final decision. Finance ministry sources told that petroleum division had proposed 45 paisa increase in OMC's margin on every litre of both petrol and high-speed diesel (HSD). It has also recommended 58 paisa per litre increase on petrol and 50 paisa on HSD.

As such, the OMCs would now get Rs3.26 per liter margin on both products. The dealers would earn Rs4.28 per liter commission on sale of petrol and Rs3.62 on HSD. The 16pc increase, according to the petroleum division, has been worked out on the basis of consumer price index between June 2019 and October 2020. The previous government had linked the OMC's margin and dealer's commission with CPI in 2013. In all these seven years, the dealer's commission on petrol and HSD increased by 92 paisa per liter (33pc) and 82 paisa (36pc). The petroleum division is now seeking 58 paisa and 50 paisa per litre increase in margin on petrol and HSD, respectively, in one go. Likewise, the OMC's margin increased by 58 paisa per liter (26pc) on petrol and 95 paisa (50pc) on HSD in seven years. The petroleum division is now demanding 45 paisa per liter increase in the margin in one year.

An official said the fixing of margins for the oil companies and their dealers on the basis of CPI appeared to be unfair as it would keep on increasing infinitely and could cross the product price over a period of time unless checked and ascertained prudently.

Mainly because of this reason, the ECC had ordered the stakeholders in the first week of November to have a new look at the formula through an independent study and get back to it within two months. This did not materialise in 13 months and the stakeholders were now taking refuge behind Covid-19 that hit the country four months after the ECC decision.

The petroleum division has now advocated continuation of the same CPI-based formula until the study ordered by the ECC is available sometime in future, saying the dealers were demanding that their margins be raised up to Rs5 per litre. It has argued that the OMCs were also claiming that their margins were required to be revised in July of each year.

The petroleum division has reported to the ECC that while reviewing the OMCs and dealers' margin on Nov 6, 2019, the ECC had approved revision of margins for the OMCs and dealers on both petroleum products on the basis of 6.58 per cent average rate of inflation as recommended by the planning division for the period between April 2018 and May 2019, with effect from Dec 1, 2019. Under the same decision, the ECC also constituted a committee led by Special Assistant to the Prime Minister on Petroleum Nadeem Babar and comprising

the secretaries of petroleum, finance and planning and development and top members from Ogra and the Pakistan Bureau of Statistics (PBS) and an academic or retired practitioner from the private sector as members.

The committee was required to revisit the existing mechanism for determination of margins for the OMCs and dealers on petroleum products "in a holistic manner and devise a revised mechanism for the purpose of ensuring interests of all stakeholders particularly the consumers". The committee was to submit its report to the ECC within two months. The petroleum division was required to provide secretariat support to the committee. The ECC also directed that in future the applicability of a formula should be from July to June of each year.

The petroleum division has reported that as ordered it arranged three meetings of the committee. The committee decided to seek the consent or willingness of the Institute of Chartered Accountants to conduct the proposed study. Only the Institute of Cost and Management Accountants of Pakistan (ICMAP) expressed its consent at the cost of Rs4.50 million, while the Institute of Chartered Accountants of Pakistan (ICAP) regretted. Therefore, the Pakistan Institute of Development Economics (PIDE) was also requested as only a single institute (ICMAP) expressed its consent for the said study. The PIDE expressed its consent at a cost of Rs2.50 million.

The first study on margins was also conducted by the PIDE in 2014. The petroleum division said Ogra being the licensing authority of OMCs regretted funding the study, while the planning division was also reluctant to meet the cost of the study from its budgetary resources. "Meanwhile, on account of Covid-19, nobody was willing to do field work until recently," claimed the petroleum division, adding that the PIDE being a government body had been asked to update its previous study along the lines of terms of reference for devising a formula to revise margins in future, utilising cost accountants' expertise. In order to avoid any further delay, the petroleum division has now proposed that the funding be met through the unspent Training Fund maintained by the petroleum division under the Petroleum Policy 2012 for hiring consultants, professionals and for preparing policies on development of the sector. ■

Delay in contract signing caused Rs467b loss

By Rizwan Shehzad

The country's top auditor has found that the delay in procurement and signing of a contract for a project under the Dasu Hydropower Project cost the Water and Power Development Authority (Wapda) US$3 million per day in lost revenue.

The delay also cost an economic loss of US$2 million per day due to purchase of more expensive fuel.

The Auditor General of Pakistan's (AGP) report on the Ministry of Water Resources and its entities' accounts for the financial year 2018-19 has revealed that there was a delay of 600 days from date of bid opening to issuance of letter of acceptance which resulted in total loss of Rs466.9 billion. The AGP stated that the office of the project director of the Dasu Hydropower Project issued the letter of acceptance for contract for procurement of electro mechanical works to the contractor on October 22, 2019, with a delay of more than two months of the World Bank deadline. "The World Bank objected that award of contract had been delayed more than 15 months due to non-finalization of bid evaluation report by Wapda," the AGP noted, adding that the delay in the procurement and signing of the contract would directly affect the commissioning of the project.

"Delay would cost WAPDA US$3 million per day in lost revenue and economic loss of US$2 million per day due to purchase of more expensive fuel imports. There was a delay of 600 days from date of bid opening to issuance of letter of acceptance which resulted in loss of Rs466,950 million." The AGP calculated the loss of Rs467 billion by multiplying US$3,000 million with dollar rate of Rs155.56. In the audit para on the loss due to delay in the procurement and signing of contract, the report said the matter was required to be investigated to determine responsibility for the loss but it was not done.

As per Public Procurement Rule 38 titled Acceptance of Bids, "The bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the federal government, shall be awarded the procurement contract, within the original or extended period of bid validity".

As per bidding documents, the AGP added, "The bid validity period shall be 120 days".

The AGP observed that non-adherence to the authority's instructions resulted in loss of Rs.466,950 million due to delay in award of contract during the Financial Year 2018-19.

The report revealed that the matter was taken up with the management in November 2019 and reported to the water ministry in December, 2019.

"The management replied that there was no such delay in award of contract which may directly affect the commissioning of the project. The work would be commenced by the contractor keeping in view the revised consolidated schedule for civil and E&M works.

"The reply was not tenable because delay in award of contract was not justified and objected by the World Bank," the AGP noted. The auditor said the departmental accounts committee (DAC) in its meeting held on January 10-11 directed Wapda GM (M&S) to conduct a fact finding inquiry and submit its report within two months.

"No further progress was intimated till finalization of audit report," the report concluded, adding that the audit recommended the management to implement DAC's decision besides fixiing responsibility. The Dasu Hydropower Project is a run-of-river project on the Indus River located seven kilometers upstream of Dasu Town, District Kohistan in Khyber Pakhtunkhwa. It will have a total installed capacity of 4,320 MW with 12 generating units and is among the priority projects under the National Power Policy 2013 and the Vision 2025 of the government of Pakistan. The project will be implemented in two stages. The World Bank as well as local and foreign commercial banks had signed financing agreements for the project. The World Bank had approved a credit of $588.4 million in 2014 to support the 2,160 MW Dasu Stage-I hydropower plant.■

No fuel hydro project under CPEC inked

The project agreements for construction of Azad Pattan Hydropower Project, under the China-Pakistan Economic Corridor (CPEC), were signed. With an investment of over $1.35 billion and 700.7 megawatts of electricity, the Azad Pattan Project involves no fuel import and will enable the country to move towards cheaper and greener power generation. The agreements, including the implementation agreement and water use agreement, were signed by Azad Jammu and Kashmir (AJK) Electricity Secretary Zafar Mahmood Khan and Azad Pattan Power Private Limited CEO Li Xiaota.

The government of Pakistan implementation agreement, Punjab water use agreement and tripartite power purchase agreements of the project had already been signed in the presence of Prime Minister Imran Khan in July this year. The development would further pave way for achievement of financial close of the project.Azad Pattan Project is being implemented by the Private Power Infrastructure Board (PPIB) under the policy for Power Generation Projects 2002 on built, own, operate and transfer (BOOT) basis for a tenure of 30 years after which it will be transferred to the AJK government free of cost. ■

Exclusive Interview

Govt should deregulate petroleum industry – Zeeshan Tayyeb

Exclusive interview of Group Chief Operating Officer, Gas & Oil Pakistan Ltd, (GO)

By Engr. Nadeem Ashraf

EU: Would you please brief about yourself, your education, qualification and experience?

ZT: I was trained as a Chartered Accountant from PwC, one of the "Big 4" auditing firms and after a brief stint in its Technology practice, I joined ICI Pakistan Limited in 2002. After spending time in a few roles based out of Karachi, I was seconded to ICI's Global Headquarters in London and held various Finance Director roles in different Business Units and continued to work there after its acquisition by AkzoNobel.

Afterwards, I joined DeBeers Industrial Diamonds, which included a large Oil & Gas portfolio, to lead the transformation of its finance function. Later, I also worked for Valiant Petroleum, an offshore E&P company operating in the North and Norwegian Seas as Finance Director. Before coming back to Pakistan, I spent considerable time in the software industry working with private equity firm Hg Capital as Finance Director and with several other businesses in Finance Director and Chief Operating Officers roles.

While away from Pakistan, I also became a member of the Institute of Chartered Accountants in England & Wales and completed my Executive MBA from Harvard Business School in America. In 2018, following my desire to move back to Pakistan, I had the chance to meet the Chairman of GO, Mr Tariq Kirmani and CEO, Mr Khalid Riaz in London. The rest, as they say, is history.

EU: What are the major operations / activities of your company in the petroleum sector, electric vehicles & renewable energy in Pakistan?

ZT: GO is the fastest growing OMC in the country with a network of over 700 retail outlets in providing Petrol, Diesel, Lubricants, and other allied services. The company has oil storage depots and terminals across Pakistan amounting to approx. 200,000 MTs., the largest oil storage capacity by an OMC in the private sector. GO is supported by a fleet of over 700 tank trucks equipped with Satellite Tracking System that ensure round the clock deliveries to our retail outlets whilst keeping our customers informed of the journey's progress. GO offers Corporate, Fleet and Prepaid Cash Cards to companies and individuals enabling a convenient way of fueling and expense management.

As a corporate citizen operating in the energy sector, GO is conscious of its responsibilities to the environment and in line with recent regulatory changes, the company has introduced Euro-5 compliant fuels across its retail network, enhancing engine performance and providing a cleaner environment.

On the transformation of the mobility and transport sector around the world, GO is proud to be the first Oil Marketing Company (OMC) in Pakistan to introduce Electric Vehicle Chargers. This charger is installed at one of our Company Owned Company Operated (COCO) retail outlet in Lahore and continues to serve customers who would like to rapidly charge their EVs.

GO plans to cover strategic routes in our network, such as motorways, highways, and key city sites all the way from Karachi to Peshawar, to serve our EV customers, to help them overcome range anxiety and provide a greener way of travelling. We are also working on multiple projects such as EV Charging facilities for smaller vehicles, conversion of retail outlets to solar energy and various tree plantation drives.

Furthermore, to lessen the burden on environment and to provide fuel efficiency to our customers, we have partnered with a renowned global chemicals company to introduce efficiency enhancing additives in our fuels. These additives will also help with reducing the environmental impact of fossil fuels.

EU: What are the aims and plans of your company to expand its operations in Pakistan?

ZT: Having started a little over five years ago, GO's early focus was to develop storage facilities in the country in line with our ambition. Initially, GO setup retail sites in rural and sub-urban areas and in the last couple of years has started to make its presence felt in bigger cities. With over 700 GO Retail Outlets operating in Pakistan, we are now a truly national

company with a market share of approx. 10% and enjoying 3rd position in 2020 (Petrol, Diesel and HOBC products).By 2022, GO plans to have over 1,200 retail outlets across Pakistan by having presence on motorways and highways, solidifying GO's overall position as one of the top 3 players of the petroleum industry.

EU: To what extent the business and operations of your company were affected due to the coronavirus emergency and also its solutions?

ZT: Health, Safety, Security & Environment (HSSE) is of prime importance at GO and is a prerequisite to any part of our business. When COVID-19 hit the world including Pakistan, the Management took immediate steps to first protect its employees and customers. During the first lockdown, almost all of GO's office-based staff was asked to work from home. This involved a big exercise from a technology and communications perspective to help people understand and process the change to a new way of working. From an HR perspective, it was a major exercise to not just ensure that our staff was able to work from home but also taken care from a mental health point of view as well as supporting those who got infected. From an operations perspective, GO implemented strict procedures to ensure social distancing, hygiene and use of masks to maintain supplies and to continue to serve our customers. Our retail outlets also distributed masks to the incoming customers and took care to minimize contact points. The use of latest technology such as the use of video conferencing, VPNs for remote working, internet connectivity, mobile devices and laptops is now well embedded in the company along with SOPs in case the situation deteriorates.

EU: To what extent regulatory and business environment is favorable in Pakistan you're your company?

ZT: The regulatory and business environment continues to improve in the country with the government addressing various issues faced by the petroleum sector. The recent change from monthly to fortnightly pricing is a step in the right direction and with recent and upcoming changes being introduced, we hope that the industry will flourish and not only be able to improve the existing service offering but also launch new products such as EV charging stations, environment friendly fuels as well as allied services for customers visiting the retail outlets.

EU: What reforms and improvements should be brought in petroleum sector to attract more foreign and local investment?

ZT: With increasing income levels, increase in personal mobility and general economic growth, the petroleum industry is continuing to grow in the country. Although, Electric Vehicles have now entered the Pakistan market, it will take considerable time before it offsets the growth in demand of refined petroleum products. To ensure that the petroleum industry survives this transition and continues to invest in the retail network in the country, it is important to deregulate the industry. This will ensure that quality retail outlets operate in the country providing best service without comprising on quality and quantity and also prepare for the ultimate transition to ecofriendly modes of transport.

It is important to understand that retail outlets/petrol pumps are not just providing fuel to motorists but are a lifeline in some of the smaller communities where they operate and offer other allied services on highways and motorways. Without adequate investment in this area, it would also be difficult to improve the life of these communities and provide the facilities expected on modern motorways and highways.

The petroleum sector in Pakistan is one of the largest vehicles for tax collection. Any steps that make it easier to invest and operate in the country and allow the petroleum sector to offer competitive shareholder returns will encourage local and international investments. This can only be fully achieved through deregulation and encouraging competition.

EU: What are your CSR activities (tree plantation, etc. of your company).

ZT: Our CEO, Mr Khalid Riaz, a veteran of the sector and founder of GO is a firm believer in fulfilling our Corporate Social Responsibilities and the whole company plays an effective part in ensuring this.

GO's CSR efforts include contributions to the Kausar Majeed Foundation, which runs a Girls School for more than 500 students in Burewala and a Dialysis Centre in Vehari among other projects. The company also runs a food bank for the underprivileged and actively participated in COVID-19 relief efforts including a Rs12 million donation to the Prime Minister's COVID Relief Fund. GO has also setup a Nursery Project at Renala Khurd, a contribution to Sarsabz Pakistan. Under this project, the company plants, and nurtures 100,000 saplings per year and works with various bodies to ensure that these are planted appropriately and taken care of to ensure that we fully realize their benefits.■

Exclusive Report

KP Energy Dept unveils two years performance (2019 20)

— By Asad Ali Shah

The Khyber Pakthunkhwa Energy and Power Department unveiled its two years performance (2019-20) by taking credit of establishing KP Transmission and Grid Company (KPTGC), LPG Marketing Department, TESCO development projects and restructuring of Pakhtunkhwa Energy Development Organization (PEDO) and launching scores of energy and gas projects in the province.

KP Oil and Gas Company (KPOGC) and Khyber Pakthunkhwa Development Organization (PEDO)'s restructuring, enhancing efficiency of Electric Inspectorate, safeguarding provincial rights, solarization of schools and basic health units, sustainable energy and economic development programme, completion of maximum number of mini macro hydropower projects and success of convincing of Common Council Interest (CCI) on a figure of Rs 128 billion for year 2016-17 under Net Hydel Profit (NHP) as per AGN formula have been achieved during last two years.

Briefing newsmen about last two years performance of the Energy and Power Department KP, Himayatullah Khan Mayar, Advisor to the Chief Minister for Energy and Power who was accompanied by Secretary Muhammad Zubair Khan said KP was blessed with enormous hydropower, oil and gas deposits besides tourism and mineral resources being tapped for sustainable economic, agriculture and industrial growth besides making KP self-sufficient in energy resources for socio-economic well being of people.

According to official document, out of the identified 30,000 megawatt (MW) of hydropower' potential, 6000MW (33,000 GWH having generation cost of Rs63 billion) have been developed so far and approximately 10,000MW are in different stages of implementation amounting to about Rs100 billion revenue per annum.

Similarly, out of 27 oil and gas exploration blocks, only four are currently producing about 45,000 BPD of crude oil (50pc of natural production) worth Rs131 billion per annum, 490MMCFD of gas (12% of national production) having an estimated monetary value of Rs147 billion per annum and 850TPD of LPG (40pc of national production) amounting to Rs19 billion per annum.

The CM aide said , PTI Govt was determined to offset this location disadvantage by expeditious development of energy resources and was providing inexpensive electricity to domestic and industrial consumers for industrial and economic growth besides generating employment opportunities.

He said signing of pending Energy Purchase Agreements (EPAs) had been a stumbling block in selling out the power generated by Provincial Energy Development Organization (PEDO) hydropower projects, adding his department was succeeded to resolve this long standing issue pending since 2010. EPAs have been signed with CPPA-G in May 2019 for 18 MW Pehur, 17MW Ronalia and 36.6MW Daral Khwar Hydropower Projects that will help result in generation of combined revenue of Rs 2.1 billion per year for the provincial kitty. The advisor said about 25 reputable companies and industrial units have participated in the auction process for Pehur's electricity that would get electricity on Rs7.5 per unit against Rs15per unit currently being sold in the province. He said PEDO has voluntarily shifted from a 'take or pay' model to 'take and pay' model and the Govt was planning to provide inexpensive electricity to around 66 industrial units under this mechanism.

Out of 802MW projects, he said Balakot HPP 300MW started with collaboration of Asian Development Bank (ADB), was an advanced stage of implementation that would be completed with an estimated cost of Rs88 billion having an expected revenue of Rs13 billion per year.

Similarly, work on 496MW Lower Spat Gah with assistance of Korea Hydro and Nuclear Power Company (KHNP) has been started under Public Private Partnership (PPP) besides Batakundi HPP of 96MW with assistance of International Finance Corporation (IFC) and Chapari Charkhel HPP costing Rs 4.378 billion having capacity of 10.5 MW.

Work on "Access to Clean Energy Investment Program" have been initiated with financial assistance of ADB under which 1028 mini macro hydropower projects are being constructed in two phases in northern districts of KP with an estimated cost of Rs 18 billion.

Solarization of 8,000 schools and 187 basic health units started in the province under clean energy project with assistance of ADB costing Rs 4347 million besides executing two mega hydropower projects of 245 MW including 88MW Gabral Kalam and 157MW Maydan in Swat with assistance of World Bank costing Rs 142 billion.

Sustainable Energy and Economic Development Program has been launched for provincial economic development besides solarization of civil secretariat, CM secretariat, Chief Minister through net metering system besides 5700 households and 300 mosques were achieved.

A total of 18 projects were approved for upgradation and installations of feeders, rehabilitation of grid stations and installation of transformers in industrial zones in merged areas costing Rs6. 8 billion to address the problem of load shedding and other energy issues.

The Minister said Kohat Area Development Program worth Rs15 billion had been handed over to the Planning and Development Department for development of Kohat Division under gas royalty share. An investment plan worth Rs 35.5 billion for accelerated implementation program (AIP) under KP Oil and Gas Resources for next three years have been approved for exploration of eight blocks of oil and gas, he said, adding Tirah in Khyber, Orakzai and Miranshah in North Waziristan have plenty of gas and oil reservoirs that would be tapped. He said KP was establishing the Institute of Petroleum Energy in Karak to prepare students for 21st century challenges.

The advisor said completion of these mega projects would help bolster agriculture and industrial sectors besides make the province self sufficient in energy and oil resources in future.■

Commercial import of LNG is the solution

By Javed Mirza

The ongoing gas crisis and much propagated mismanagement in Liquefied Natural Gas (LNG) procurement only advocate urgent commercial import of LNG by private parties. Government needs to remove all the hurdles and fast track regulatory formalities to enable smooth commercial import of LNG.

Alarmingly, a perception among industry people is getting strength that the bureaucracy as well as the advisors/ministers are reluctant to take decisions due to the series of corruption cases and investigations involving senior officers and parliamentarians lately. Such an environment is hampering progress on several projects of national interest.

Government must ensure an environment that encourages initiative taking and bold decisions. Besides, enough of the this blame game, which only is counterproductive for the industry and the economy. It is time to learn from past experiences and move forward.

LNG imports by private parties would ensure sufficient supplies as well as relax state entities of cumbersome computations of demand forecasts and arranging spot purchases.

A number of business houses and trade associations such as CNG associations are eager to import their own gas once the bureaucratic hurdles are removed.

Although, the government has notified the framework for the import of liquefied natural gas (LNG) by private parties and sanctioned excess capacity available at LNG terminals for private imports, but certain bottlenecks are still there.

Intending importers believe that private importers, gas companies, terminal operators and regulatory authority need to be on the same page to make this enterprise a success.

There has been lack of planning for LNG import by state companies, hence, the country has already consumed cheaper LNG and upcoming expensive deals are going to put an additional burden on consumers and the national exchequer.

Private sector has been struggling since long to import LNG. Industry people believe the private sector will not only be able to bring gas at cheaper rates but there will be no financial risk to the government. Moreover, with the private sector import, the commodity shortage would be overcome to a great extent; besides CNG stations and other industries would continue to operate as per routine.

Gas accounts for more than half of Pakistan's total energy consumption and is used for a variety of purposes ranging from cooking to manufacturing fertilizers to fuelling cars to producing electricity.

With almost a quarter of its population connected to the gas supply network, around 3 million more people are waiting for new connections while gas companies have the capacity and resources to provide up to 400,000 connections annually.

The reliance on RLNG is expected to increase going forward, as the gas reserves are depleting continuously. Gas reserves in Pakistan have decreased from 24.7 TCF in FY13 to 20.9 TCF in FY20.

Similarly, the current gas consumption of Pakistan is 1.8 TCF, while the production averages around 1.4 TCF. Demand for gas is expected to increase to 2.3 TCF by FY25, which will increase the demand supply gap to 1,000 BCF.

Pakistan has long term LNG agreements in place, including one with Qatar, but has also been active on the spot market. Pakistan has a 15-year LNG purchase deal with Qatar to buy 3.75 million tonnes of LNG per year for 15 years to 2030, but it regularly taps the spot market. It also has a five-year import deal with commodity trader Gunvor and a 15-year agreement with Eni.

At present, Pakistan has two LNG terminals that handle imported gas for domestic consumption. The combined capacity of these terminals is 1.2 billion cubic feet per day.

As many as five private sector companies are in line to set up Liquefied Natural Gas (LNG) terminals, having the capacity to re-gasify 500-700 Million Cubic Feet per day (MMCFD) gas each. These include Tabeer Energy, a unit of Mitsubishi, Energas with partner Exxon; Pakistan GasPort and commodities trader Trafigura; Engro with partner Shell, and Gunvor with Pakistani conglomerate Fatima. ■

Exclusive Interview

AZ Gases to establish fist ever helium gas refilling facility in Pakistan - Syed Muhammad Asad

Exclusive interview of AZ Gases (SMC) Pvt Ltd

The AZ Gases (SMC) Pvt Ltd is soon going to establish first ever compression plant, storage setup for helium gas refilling in Gwadar. This was disclosed by Managing-Director AZ Gases Ltd, Syed Muhammad Asad, during a recent interview with Energy Update to mainly explore the gas sector business of his company in Pakistan. Following are the important excerpts of his interview.

By Mustafa Tahir

Energy Update (EU): What are the salient features of your company?

Syed Muhammad Asad (SMA): After I came back to Pakistan after working abroad, I launched a startup here. I worked for different companies where I remained associated with the export sales work. I had information about Pakistan related to this field as I also had confirmed clients to whom I was doing the supply. We used to deal with the big companies dealing in industrial gases and related requirement as we used to provide them with direct supplies. This helped me a lot to gauge well the potential volume of our market. I came to know about the products facing problems in Pakistan as nobody here was available to deal in them. I knew how to fill these gaps. This was the way, I established my startup and pursued my work here.

EU: What are the details of your clients in Pakistan?

SMA: Prominent companies in Pakistan are our clients. We did participate in the SSGC's tendering process for LPG. The Karachi Water & Sewerage Board is one of our clients while some distributors and traders get the supply from us. We have been directly entertaining some of our Lahore-based customers. We do provide them with calibration gases and rear gases. Some of the multinational companies are also our client. We provide them with these supplies for industrial purposes. Then some of the defense-related organizations are also our client like the Karachi Nuclear Power Plant. So, we have been dealing with a lot of entities.

EU: What are the issues faced by your business during the recent Covid-19.

SMA: The requirement of oxygen supply did increase during the recent Covid-19 health emergency. The demand of breathing oxygen and related equipment in the country increased manifold. This created a panic-like situation in the market as a lot of panic buying also took place at that time. The import of oxygen and related equipment and its supply to the clients in a timely manner became a much challenging task. A lot of issues in this regard were related to the logistics like availability of the shipping containers. We had to face a lot of issues during this phase but eventually we came out of the situation and all the problems were ultimately sorted out amicably.

EU: What is your viewpoint on the persisting gas crisis in the country?

SMA: I remained part of the Sui Southern Gas Company so I know much about this situation. In this regard, my categorical analysis is that our in-house gas demand has always been unpredictable. The concerned people don't know as to how much gas shortage they are going to face. The most important aspect is that our resourcing should remain very good. Our gas resourcing is not appropriate and properly aligned. Why we don't directly approach the refineries and government institutions outside the country for the purpose? There is a lengthy procedure related to our terminal handling that involves a lot many people. This delays the decision-making process. We do have to face acute shortage due to our improper projections. First we need to align our resourcing directly with the producers and manufacturers. We need to base our projections and requirements on our consumption. Our order for the coming year should be 10 per cent more than our consumption in the last year. Instead, we are placing an order of 160 metric billion tonnes if consumption in the last year remained 170 metric billion tonnes. The work has been in progress on a 24/7 basis to make new discoveries in the oil and gas sector. But results could not be quickly obtained from all these efforts. In the meanwhile, we are supposed to improve our import-based purchases and resourcing. This issue will persist till the time our resources are not properly aligned.

EU: What are the safety standards being followed by your company?

SMA: The safety-related SOPs of our company are very much well-defined. Each of our employee is required to fully understand and adhere to the safety plan of our company. There is zero compromise on the safety issue in our company. We simply can't afford any safety-related mishap in our services. We have been following the same set of safety protocols as of the case of the European and MENA region bodies of our trade. We have HSE officers and managers to get implemented these safety standards. We have a set work format to provide our services as we do execute our things while fully adhering to this format. Safety is no doubt our number one priority as we have defined some golden rules for the purpose.

EU: What is the future plans of your company?

SMA: Everybody is importing helium gas in Pakistan as the country doesn't have any such bulking facility. We don't have any compression station to do refilling of helium gas in the cylinders. The cost of helium gas in Pakistan is too much high as compared to the international market. We have planned to establish our proper storage setup and compression plant for helium gas. We have already initiated the talks to get land in Gwadar where we will establish filling station for helium gas. Different customers in the country procure the helium. This is a very important project that is very close to my heart. Our plan is to bring this facility to Pakistan very soon as it is going to phenomenally slash the cost of helium gas in the country. This project is going to benefit a lot of customers in Pakistan. A lot of small businesses will get the benefit with reduction in the cost of doing business with decrease in the helium price. This include clinical labs in the country providing MRI and CT scan services. The cost of these essential lab services are high due to exorbitant price of helium. The end-users related to these services will ultimately get the benefit with slashing of the helium cost. This step will help in raising the level of the competitiveness of our businesses to the standard of the international market.■

NBP media head Syed Ibne Hassan passes away

Syed Ibne Hassan, Vice President (VP) and the head of Media & External relations department National Bank of Pakistan (NBP) died of Covid-19 pandemic. He was 50. He was laid to rest in Wadi-e-Hussain graveyard, amid tears and anguish. Hassan left behind four sons and a widow to mourn his death. He contracted Covid-19 after his return to Karachi from Islamabad on 8th of this month, and was under treatment at a private hospital. With a Master's Degree in Journalism, Hassan was an active and competent official whose professional career spanned over three decades. He has served in different positions mostly on public relations at various financial institutions, government and media organisations, including, PICIC, NIB Bank, and Sindh government. He had been associated with the NBP from 2011, and served the organisation in different positions. He worked as the head of publicity in the global home remittance management group, and divisional head of the corporate communication division at NBP.

Hassan was a member of various professional bodies pertaining to media as well as professional and philanthropic organisations such as FPCCI, Pakistan Management Association, Karachi Press Club (KPC), and Karachi Union of Journalists (KUJ) etc. He also attended various professional courses conducted by NIPA, the Management Association of Pakistan, the International Business Consultant, the Public Relation Society of Pakistan, Pakistan Economic Development Forum, KPC, ACP, Pakistan Television, Radio Pakistan etc.■

WLPGA ANNOUNCES LPG WOMAN OF THE YEAR

The Women in LPG Global Network (WINLPG) is an initiative that was launched in 2015 by the World LPG Association (WLPGA). Recognising the need to promote women, and young talent, in the LPG industry the WLPGA created The Women in LPG Global Network (WINLPG) as a platform to meet, connect, exchange and learn. The network has over 2,000 members and has six active national chapters in the USA, Nigeria, South Africa, Myanmar, India and Colombia.

In 2018, WINLPG launched the Woman of the Year Award to recognize women who have made an important contribution to the propane industry or who demonstrate significant motivation or show support for the cause of diversity, and who have enjoyed unparalleled career success. In 2019, WINLPG also launched a Young Woman of the Year Award to recognise women under the age of 30 who have made a contribution to the LPG industry or who demonstrate significant motivation. The award winners were announced in late November during a WINLPG webinar. WINLPG is delighted to announce that the winner of the 2020 Woman of the Year Award was given to Zhanar Gilimova, LPG Commercial Manager at Tengizchevroil in Kazakhstan.

"Becoming Women of the year 2020 was a very pleasant surprise to me. I proudly share this recognition with my team, a highly dedicated professionals, and hope that it will inspire many others to perform, deliver and be accountable for ambitious decisions. However, one can only do that with a strong, trustful and diverse team, which I'm proud to have," remarked Gilimova.

WINLPG announces 2020 Young LPG Woman Year Winner Marcela Rosado Orellana Ultragaz in Brasil reports BPN 1120WINLPG is equally delighted to announce that the winner of theung Woman of the Year Award 2020 is Marcela Rosado Orellana, Senior Business Development Analyst, Ultragaz, Brazil.■

Energy security still an unfulfilled dream

— By Sohail Iqbal Bhatti

A large number of countries, including our neighbours, availed the advantages of record decline in the oil prices by developing offshore storages in a bid to store the oil for meeting future energy needs

Engaged with the agitation initiated by Pakistan Democratic Movement (PDM), an investigative report prepared by the FIA Inquiry Commission on shortage of petroleum products in June 2020 has caused a new challenge for the ruling Pakistan Tehreek-i-Insaf government.

Shockingly, PM Imran Khan's "Super Team" had made yet another record of its failure by not availing the benefits of low prices in oil market which were registered mainly due to fast and wide spread of COVID-19 around the globe. A large number of countries, including our neighbours, availed the advantages of record decline in the oil prices by developing offshore storages in a bid to store the oil for meeting future energy needs. Pakistan was an exception, however. The PM's "Super Team" while allegedly playing in the hands of oil mafia ignored the country's dire need of fuel which had resulted in the form of shortage of petroleum products in the month of June 2020. Taking notice of shortage, PM Khan had formed a seven member Inquiry Commission on 28th December 2020 under the chair Abubakr Khuda Bakhsh, Additional Director, Federal Investi-gation Agency (FIA) to probe the matter. The Inquiry Commission, in its inquiry report, has made horrifying revelations regarding reasons behind the shortage and exposed the performance of petroleum division especially the expertise of a so called petroleum expert, Nadeem Babar. Though PM Khan is leaving no stone unturned to make true his dream of building a new Pakistan and making the mafia accountable for its crimes, however, his own 'Super Team" and few influential bureaucrats engaged in shattering the dreams of its master. After wheat, floor, medicines and sugar scandal, GIDC scandal worth Rs 208 billion was the fifth scandal in which 'Super Team" was found involved.

It is interesting that premier had taken serious notice of theses scandals and pledged to make accountable all those involved. However, so far, nothing mentionable happened against the members of PM's own 'Super Team" and the government officials for their wrong doings as initial report of FIA Inquiry Commission on shortage of petroleum products was forwarded to PM Secretariat and petroleum division in the month of November 2020.

Instead of removing SAPM on Petroleum, Nadeem Babar, Secretary Petroleum, Mian Asad Hayauddin and DG Oil Dr Shafi Afridi and Imran Abro etc from the important positions in the light of the findings of the inquiry report, it was unfortunately decided to hide the findings and not to take action despite the recommendations against all those involved in the oil shortage. But, thanks to Lahore High Court (LHC) which had forced the government to present the Inquiry Commission's report in the cabinet meeting, paving the path for taking action against culprit of petroleum shortage in June 2020.

It is pertinent to mention here that COAS had earlier fulfilled his promise made with the nation by taking notice of registration of a case against Capt. R. Safdar on 20th October 2020 and called inquiry and removed those officials which were involved in the crime.

Imran Khan after taking responsibility of PM Office had appointed Nadeem Babar as Chairman Energy Task Force to bring revolution in energy sector of the country. However, Nadeem Babar did nothing important related to introducing reforms in the energy sector during six months while he was engaged with the Task Force. And, PM instead of seeking a report on reforms on energy sector and reviewing his performance as Chairman Energy Task Force had handed over to him the entire petroleum division to Nadeem Babar. Similarly, Secretary Petroleum Mian Asad Hayauddin who is said to be close with a favourite bureaucrat of PM Imran Khan had not performed well to end approximately Rs 400 billion losses and irregularities in the energy sector.

Instead of making history in the energy sector, a horrible game was played in the presence of both blue eyed boys (Nadeem Babar & Mian Asad Hayauddin) of present regime as oil mafia minted money and national exchequer and common public had to bear heavy jolt/loss.

Besides this, Nadeem Babar and Mian Asad Hayauddin had made record of nepotism in the history of petroleum division despite the fact that PM was against adhocism in the country. Secretary Petroleum Mian Asad Hayauddin had appointed Dr Shafi as DG Special Projects in petroleum division by getting rid from an expert and qualified DG Oil Abdul Jabbar Memon. Dr Shafi after assuming the charge of DG Oil had created temporary space in oil directorate for Imran Abro who was a blue eyed of Oil Marketing Companies (OMCs) and was an official of Inter State Gas System (ISGS). It is relevant to note that both Dr Shafi who was new in oil sector and Imran Abro who was allegedly a facilitator of OMCs had caused hefty losses coupled with shortage of petroleum products as mentioned in FIA inquiry commission's report. Last but not the least, the government may control the prevailing political crisis in the country but it seems next to impossible for the PM to fulfil his promise of providing cheap and uninterrupted energy to the country in the presence of blue eyed boys and adhocism in the energy sector of the country.■

Govt should subsidize air freight service to facilitate exports - Mohammad Yousaf

Exclusive Interview of Chairman Air Cargo Agents' Association of Pakistan and CEO Pak Cargo

The government should subsidize air freight service to facilitate exports from Pakistan.This was suggested by Chairman of Air Cargo Agents' Association of Pakistan, Mohammad Yousaf, who is also Chairman of the Pakistan Cargo Services, in a recent interview with Energy Update about his air freight business in Pakistan.

By M. Naeem Qureshi

Energy Update: Would you share your profile and the services of your company?

Mohammad Yousaf: I have been in this business since 1982. I formed my own cargo company in 1984. I have been running my company along with two shareholders. Right now, my company is facing virtually no competition in Pakistan. We have nine offices related to our air cargo business employing around 400 to 450 people. I'm number one as far as the IATA's ranking is concerned. I am very happy with this business. I have worked a lot for my industry as I'm now recognized for my services for this business.

EU: What were the services done by your company during the coronavirus emergency.

Mr. Yousaf: During the situation of Covid-19 when air travel virtually came to a halt, our company successfully operated 17 cargo flights for Europe. By doing so, we amply served the Pakistani economy and the people of Pakistan. We operated these flights when people had no other mean to send abroad their products as we provided them with an option to do so. We did so as we do our work as a solution provider. Whatever we have been doing, we are doing for the national economy. We don't do work to earn money as we do work to serve the people by facilitating them.

EU: Tell our readers about post-coronavirus situation of your business.

Mr. Yousaf: The situation of our business has improved after the Covid-19. Several airlines are now coming to Pakistan as I do appreciate availability of their service in the country. These airlines have been providing us with opportunities. The rates of air freight service have been much higher as the airlines don't have any other option owing to the less number of air passengers. The Pakistan government should subsidize the air freight service to facilitate exports from the country. Resultantly, the Pakistani exporters facing competition in the international market, will be able to get more orders. The government didn't provide any support to our business during the coronavirus emergency. The government didn't provide any help in this regard despite demands to this effect made by the federation and chambers of commerce and industry. The government says that it doesn't have any money to extend to us any such assistance. The exporters in Pakistan have been doing their work in sheer compulsion as their profit margins have shrunk.

Lately, we have seen much improvement in our business related to three to four products especially the sportswear from Sialkot and textile products being manufactured in Faisalabad. I think that our country do possess massive potential for such production but the main issue is that we lack mutual trust.

EU: Tell us about the project of Sialkot International Airport?

Mr. Yousaf: We launched the airport in Sialkot some 10 to 12 years back. We started this project after realizing that up to 60 per cent population of the most populous province of Pakistan i.e. Punjab lives in the region around Sialkot. Before the situation of Covid-19, we had up to 80 flights operating from Sialkot every week. Now these flights have been reduced to 25 to 30 due to the impact of coronavirus. The cargo in sizable quantity is being sent from the airport. The Sialkot Airport has supported much the economy and people of Pakistan. The government should overwhelmingly support and appreciate such local investment by the businessmen of Pakistan.

EU: What are the salient features of the project of Air Sial?

Mr. Yousaf: Sheikh Riazuddin being a visionary leader of the Sialkot Chamber of Commerce and Industry came up with this idea. His vision is also behind the projects of dry port, airport, and road network in Sialkot. The most important feature of Air Sial is that it is a community-owned airline. This airline has come into existence on the basis investment by up to 300 businessmen. This airline enjoys support of an entire community. This airline has emerged as the second national flag carrier in Pakistan. All the businessmen behind this airline have been duly conveyed the vision that Air Sial is not there basically to earn profit. The airline will be run in a manner that it gets the capability to contain within the country the revenue earlier earned by other airlines in Pakistan and sent outside the country. We don't want to earn money. Our aim is to strengthen the national and conserve the precious foreign exchange. We have been doing this work for the sake of our economy and for the good name of our city. ■

Zubair Motiwala vows to carry forward Siraj Teli's mission

Chairman Businessmen Group (BMG) Zubair Motiwala has vowed to carry forward and accomplish the mission of Late Siraj Teli who always desired to make Karachi a livable city where all the citizens are employed, law & order remains stable, infrastructure is improved, cleanliness along with proper sewerage system and other civic facilities are available to the masses and prosperity prevails all over the city.

"We in close alliance with everyone will be making all out efforts to restore the lost status of this city which was once known as the city of lights", he added while speaking at a Condolence Reference organized to pay homage to Late Siraj Kassam Teli who dedicated his entire life for the rights of business community and the Karachiites.Vice Chairmen BMG Tahir Khaliq, Haroon Farooki, Anjum Nisar, General Secretary BMG AQ Khalil, President KCCI Shariq Vohra, Nusair Siraj Teli (Son of Late Siraj Teli), Patron-in-Chief United Businessmen Group S. M. Muneer, Former SVP KCCI Jawed Bilwani, Former President KCCI Shamim Ahmed Firpo, President Korangi Association of Trade & Industry Saleem uz Zaman, Arif Habib, Tariq Yousuf, Haji Anis, Hanif Motlani, Durre Shahwar Nisar, Mehmood Hamid, Abdul Samad Khan and Javaid Sheikh also paid glowing tribute to Siraj Teli who will always be remembered for his matchless services and lifelong struggle for the rights of Karachi city and its business community.

Zubair Motiwala said, We only demand that Karachi must receive its share in proportion to what this city has been contributing to the national exchequer so that these funds could be utilized in developing the dilapidated infrastructure which is almost in existent", he said, adding that the road infrastructure in Site area, which is the oldest and biggest industrial area, has worsened to such an extent that almost all the roads in this particular area are neither motorable nor jeepable.Commenting on sad demise of Siraj Teli, Zubair Motiwala said it was the most tragic and saddening incident not only for Karachi city but for entire Pakistan.

"Siraj Teli was a person who was neither born in years nor in centuries. I was associated with him since last 28 years and throughout this period, he added.Referring to Siraj Teli's dedicated efforts in dealing with Bolton Market inferno incident in 2009, he said that due to Siraj Teli's determination and day-night efforts, more than 1900 affectees of Bolton Market and other markets whose shops were burned to ashes received full compensation as per their aspirations. It was the biggest achievement as a total of 29 buildings were reconstructed while compensations ranging from Rs15,000 to Rs150 million were handed over to the affectees.Expressing satisfaction over complete unity amongst BMGIANs, Chairman BMG said, "You will not find a single example all over Pakistan where any political party or any other group has remained intact and fully united for a period of 23 years except BMG whose Chairman and all Vice Chairmen remained the same since it came to existence and no divide or break up was seen at any point in time throughout all these years."

He reiterated that Siraj Teli was a person who cannot be forgotten as he struggled really hard throughout his life for the welfare of poor masses and the business community and fearlessly raised voice so that the authorities could be compelled to not only deal with economic issues but also many other social issues being suffered by the public.In the end, .President KCCI M. Shariq Vohra, in his remarks, said, "Siraj Teli will stay alive in our hearts and will always be remembered for his exceptional and dedicated services to the entire business & industrial community and Karachiites under the policy of Public Service. He was a dynamic leader whose illustrious career spanning over 28 years has indeed left an indelible impression on the entire business & industrial community.■

Pakistan's Gold, Copper Reserves worth over $200 billion

— By Sajid Aziz

When the former Chief Justice, Iftikhar Muhammad Choudhry had ordered to cancel the contract of Reko Diq for gold digging from this remote area of Balochistan in order to protect the most precious wealth of the nation, the exploiters in the foreign mining company Taytheon went to the so-called international court that gave the decision in the company's favour without going into the detail of the contract given and signed in a mysterious manner. The vested interests were of the view that Supreme Court's order would result in billions of dollars loss to the nation but they never realized that by virtue of Justice Inftikhar's decision has saved the country's most precious gold mine.

The fencing, the CPEC, and the gold and copper reserves initiatives -all are expected to usher Pakistan into an era of enduring economic stability, says an expert. "That's the gripe many countries around have"

We have 12.3 million tons of declared copper reserves. 21 million ounces of gold. 175 billion tons of coal. Yes you read it right, that is "billion" not millions. We also have 105 cubic trillion feet of Shale Gas. Yes, again you read it right. It's "trillion" not million or billion. We also have natural resources of 9 billion barrels of shale oil and 4.2 billion cubic feet of gas production per day. We reached out to a highly reliable source in Islamabad to comment on the above.

His response was, "We have more than 12.3 million tons of copper. Also probably more gold and coal than stated. Unfortunately we have not been able to extract the same yet. But now we are working on these assets. Coal is done. Now copper and gold In Sha'Allah".

The "12.3 million tons of copper (alone) is worth over 81 billion US dollars," says a professional at an Energy & Power forum. Two other experts say it could be worth more, as much as $100 billion. What about gold and copper's worth at present market rate?

Gold at $1929/ounce present rate would be worth: 21 million ounce gold x US$1929 = US$41 billion. Copper at US$6,565/ounce would be worth: 12.3 million ounce copper x US$6565 = US$81 billion.

Both these precious metals reserves (worth more than $120 billion) cover vast swathe of desert lands in Balochistan, Pakistan's western province. It has substantial common boundary with Afghanistan and Iran. The country's military is fencing the border to keep the bad guys out and eliminate smuggling of goods into Pakistan.

According to a senior Pakistani military official, "the Pak-Afghan border fence will be completed by December 2020. The Pak-Iran border fence will be completed by Dec 2021". According to him, 70% of the fencing on Pak-Afghan border has been completed, while the Pak-Iran border which commenced in March 2020 is scheduled for completion by Dec 2021.

A source said these resources are just a few of them out there, and the count on gold and copper is conservative. "The worth could be double if not triple".

The country's coal reserves majorly located in its southern province of Sindh, particularly in the Thar Desert region have been already tapped for power nationwide. This reserves itself is upward of several hundred billion dollars.

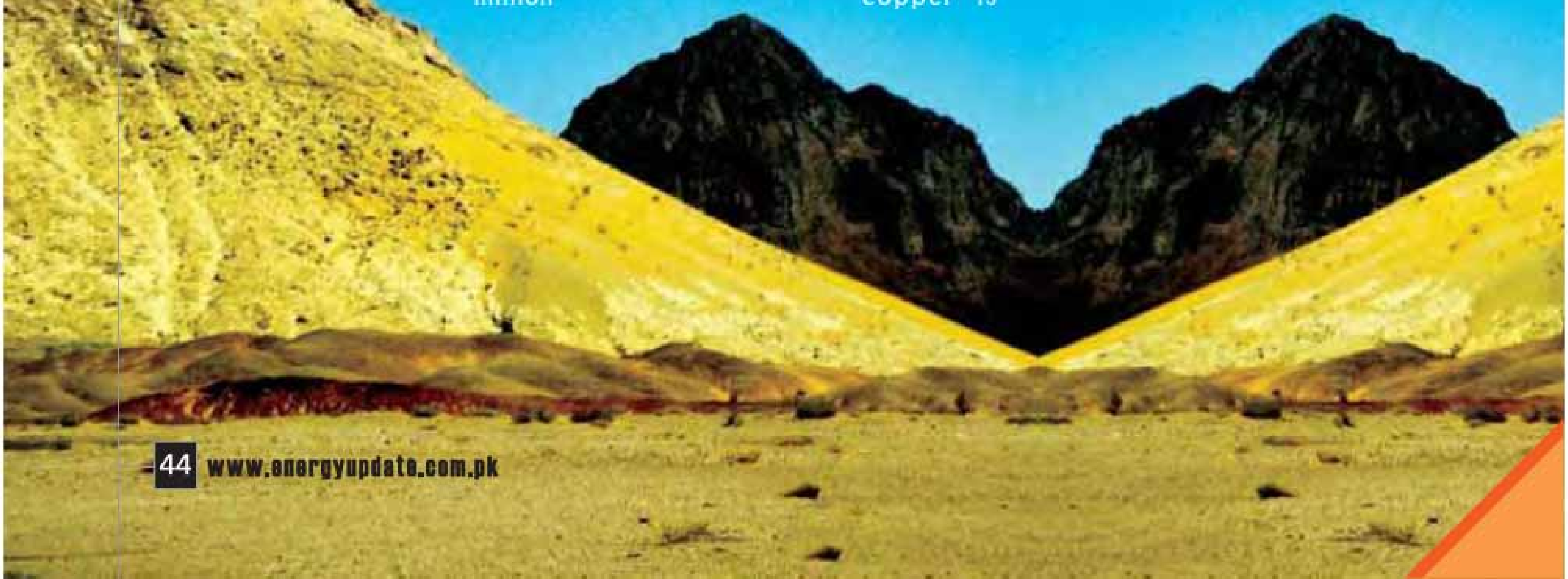
According to one of the experts, Pakistan's total gold and copper reserve is worth north of US $200 billion in present market. However, future worth of these would be way further north and that is true for their quantities also.

The Pakistan China Economic Corridor (CPEC) infrastructure along with special economic zones around it, is expected to be fully operational in couple of years. "By then the gold and copper reserves would be ready for monetization, if not earlier", says an observer.

In short, the fencing, the CPEC, and the gold and copper reserves initiatives -all are expected to usher Pakistan into an era of enduring economic stability, says an expert. "That's the gripe many countries around have".

The country, because of its location, also faces vibrations from the emerging unhinged geopolitical rivalries in the region. When asked to comment, the military official characterized the situation.

The nation will hopefully get its valued wealth in the shape of hidden mines and reserves of minerals and precious metals, if we look for an honest leadership seriously and finally kick out the corrupt politicians and those who brought them into power whether PPP, PML-N or PTI. ■



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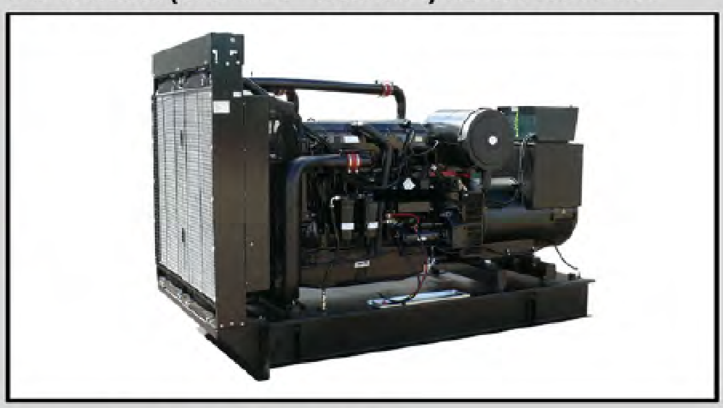

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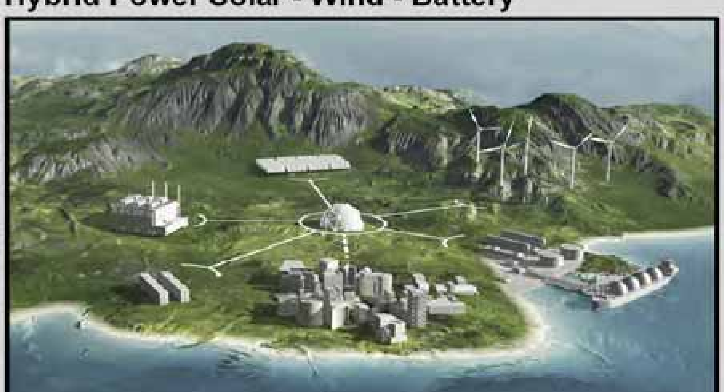

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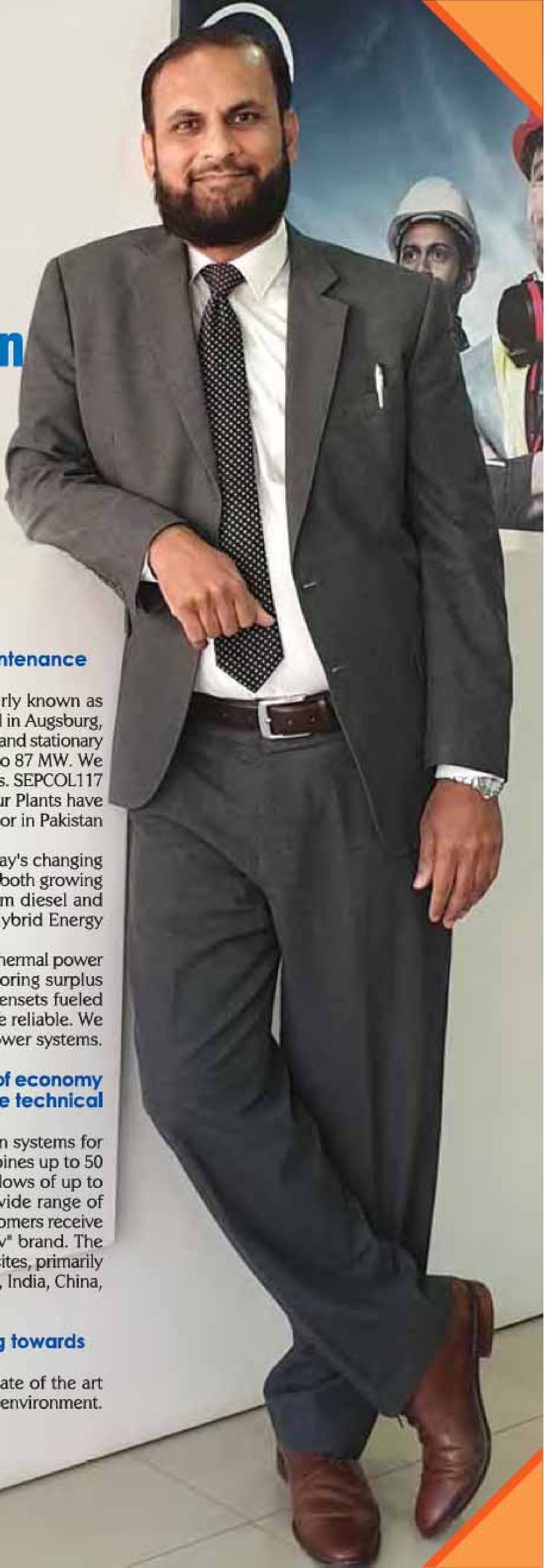
Downward economic growth, political instability are major challenges in Pakistan - Zulfiqar Ali



Exclusive Interview of Head of Region South, MAN Energy Solutions Pakistan Pvt Ltd

By Mustafa Tahir

EU: What is the role of your company in the upkeep, maintenance and upgrading of the energy sector of Pakistan?

Zulfiqar Ali (ZA): Our Company MAN Energy Solutions formerly known as MAN Diesel & Turbo is a subsidiary of a multinational company based in Augsburg, Germany that produces diesel engines and turbo machinery for marine and stationary applications. The engines have power outputs ranging from 450kW to 87 MW. We have appx. 1000 MW installed based in Pakistan mainly HFO based IPPs. SEPCOL117 MW, HUBCO 225 MW, ATLAS POWER 225 MW just to name few. Our Plants have capacity to run 24/7 nonstop on full load and serving the energy sector in Pakistan since 1999.

We are proud partners to the power industry for decades. In today's changing energy landscape, reliability of supply and operational flexibility are both growing concerns for our customers. That is why we have transformed from diesel and Turbo Company to an energy solution company and we do offer Hybrid Energy Solutions to our customers.

Our hybrid power solutions combine renewable energy sources, thermal power generation and energy storage systems in a hybrid power plant. Storing surplus energy and using instant power top-ups from engine and turbine Gensets fueled with gas/HFO or even bio-fuels can make wind and solar power more reliable. We can also add components to act as fuel savers and hybrid island power systems.

EU: Apart from the energy sector, what are the other areas of economy and industry where your company has been providing the technical support services?

ZA: We have a wide range of two stroke engines and propulsion systems for the marine industry. We offer turbo machinery products like gas turbines up to 50 MW, steam turbines up to 150 MW and compressors with volume flows of up to 1.5 million m3/h and pressures of up to 1,000 bar. We also offer wide range of trucks and buses and proud to be one of the market leaders. Our customers receive worldwide after-sales services marketed under the "MAN PrimeServ" brand. The company employs around 14,413 staff at more than 100 international sites, primarily in Germany, Denmark, France, Switzerland, the Czech Republic, Italy, India, China, United States, Middle East, Africa and Far East.

EU: In what manner your company has been contributing towards the cause of improvement of environment in Pakistan?

ZA: All IPPs in Pakistan installed by MAN are equipped with state of the art emission control systems that control NOx and SOx thus saving the environment.

All our trucks and buses are Euro 2 & Euro 3 compliant. Despite the world's intention to move towards a carbon-neutral future, global fossil fuel demand continues to grow. The oil and gas industry is being challenged to meet the increased need for energy while simultaneously reducing overall emissions. Such scenarios call for practicable and convincing solutions to support the transition towards a low-carbon world.

Official estimates count around 150 billion cubic meters of natural gas being flared each year, which corresponds to 350 million tons of carbon dioxide released into the atmosphere. Above ground, MAN Energy Solutions is supporting the oil and gas industry in its efforts to endorse the World Bank's "Zero Routine Flaring by 2030". This is only one of several global incentives to curb flare gas carbon emissions, illustrating how seriously the issue is being taken.

EU: What are the plans of your company to expand its business and operations in Pakistan?

ZA: We started in 2008 from Lahore and extended our offices to Karachi and Islamabad. We have covered long way in last 12 Years and feel proud to be the only MAN PrimeServ hub in the world that represents all MAN Products under single roof. We have expansion plans in the pipeline but these are on hold due to current COVID-19. We hope we will expand further once we come out of this situation.

EU: In your own viewpoint, what are the major issues hampering the advancement and growth of the energy sector in Pakistan?

ZA: Currently in Pakistan major challenges in power sector growth in: Energy, downward economic growth and political instability, devaluation of local currency, cost of energy and subsidized tariff for zero rated industry, privatization/efficiency of captive plant, demand for energy, rural electrification/ independent power producers, dependability on import fossil fuel like HFO, RLNG.

EU: What should be the best way for Pakistan to achieve self-reliance and self-sufficiency in the energy sector?

ZA: We need quick implementation of Alternate & Renewable Energy Policy. The good thing is that the GOP's strategic objectives of energy security, affordability of electricity, availability for all, environmental protection, sustainable development, social equity and mitigation of Climate Changes are further harnessed under the ARE Policy 2019, developed by the Ministry of Energy (Power Division) in consultation with key stakeholders. ARE Policy 2019 aims to create a conducive environment for the sustainable growth of ARE Sector in Pakistan with following targets, 20% of its generation capacity as ARE technologies by 2025, 30% by 2030, the policy shall also cover projects of retrofitting of existing solar and wind projects to convert them into hybrid units. To meet this objective Government must take several steps, dependency on local fossil fuels: indigenous local coal by private partnership of Sindh Government with Engro, use HFO of local refineries by banning their exports, nuclear power growth, hydel power because Pakistan is very rich in rivers and natural land scope and lot of potential of dams and ongoing river electric project.

EU: Are there any plans of your company to fulfil its CSR related obligations in Pakistan?

ZA: We as a company in transition from fossils to green energy for sustainable and eco- friendly system. Our aim is to reduce carbon content and generate maximum from renewable energy and regeneration projects in coming years within Pakistan. ■

IPPs irked at 'non-seriousness' on part of Power Division

By Khalid Mustafa

As many as 53 independent power producers (IPPs) that signed MoUs with the government providing estimated relief of Rs836 billion in their remaining period of PPAs, have got irritated on the non-seriousness on part of the Power Division in finalising payment mechanism for offloading dues of Rs462 billion and implementation of their recommendations mentioned in MoUs.

The IPPs also conveyed to the government that they will not provide the relief of over Rs135 billion, which is due in the head of late payment surcharge saying waiving off the amount in head of LPS is not mentioned in the MOUs. Top sources privy to the ongoing talks between the IPPs and the government confided to The News that the IPPs have told in clear terms unless and until the payment mechanism is finalized and progress is made on their recommendations enshrined in the MOUs, they will not sign the amended power purchase agreements (PPAs).

Under the recommendations mentioned in the MoUs, there are some tax related issues of IPPs and The IPPs argued saying if there is a delay in finalization of payment mechanism and on their recommendations' implementation, they will not be able to sign the amended PPAs on time as some IPPs have foreign lenders and because of the forthcoming Christmas holidays, they will not be able to get the approval from them which are necessary to enable them to sign the amended PPAs.

"And that is why IPPs get irritated over the non-seriousness on part of the Power Division," sources while quoting the IPPs in the meetings.

"This has put the government on a tight rope as the life of MoUs is for six months that will expire on February 12, 2021. Under the MoUs, the government is bound to offload the dues of Rs449 billion. Almost over two and a half months have elapsed since the signing of MoUs. "Head of MOU implementation committee, Adviser to PM on Finance and Revenue Dr Hafeez Shaikh, does not want to let the life of MoUs expire and wants immediate finalization of payment mechanism and substantial progress on IPPs' recommendations mentioned in MoUs, so that the government could reap the dividends of MoUs," the sources said adding that Dr Hafeez Shaikh has also stated that whenever he gets the payment mechanism with 3-5 options, he will take no time to sign it.

Special Assistant to the PM on Power Tabish Gauhar admitted: "Yes, some delay has been done, as dealing with everyone is a messy process. However the government is on track to finalize dues payment mechanism on time as we are in talks with every IPP and different options to finalize the payment mechanism for offloading Rs462 billion dues are under discussion. Various financial instruments to offload dues of IPPs are being discussed and to this effect, Dr Hafeez Shaikh is also updated." He maintained that the principal decision to pay to IPPs is that one third amount of total dues is to be paid as upfront payment at the time of signing of amended PPAs and the remaining two installments will be paid after 12 months each. This is how the payment of total dues will be paid to IPPs in two years time. "Right now, we are in the process of finalising the financial instrument under which payment is to be made to IPPs." Gauhar said that the financial instrument such as TFC (Term Finance certificate) is also being discussed. The issuance of promissory notes to be issued by the central bank to IPPs is also under discussion; however, the committee on payment mechanism headed by him will soon finalize financial instruments to be adopted to pay the dues of IPPs.

Coming to the delay on implementation of IPPs' recommendations mentioned in MoUs, he argued that since the federal cabinet took time in approving the MoUs because CCEO consumed the time seeking the opinion of Law Division, so the Power Division did not move till the approval of MoUs by the federal cabinet. However, now after the federal cabinet's approval, the Power Division has started working for implementation of IPPs' recommendations and to this effect it has written a letter to the FBR, seeking resolution of tax matters of PPAs. Similarly, the Power Division has also asked NEPRA through a letter to de-link the tariff of bagasses-run IPPs from imported coal and examine as to how in the world, particularly in India, the power tariff of IPPs that run on bagasse is calculated. The IPPs that run on baggase want to delink its tariff from imported coal, saying they stand below in the economic dispatch order because of the existing tariff calculating mechanism, which is linked with imported coal.

The SAPM also spoke his mind when his attention was drawn towards the development under which the IPPs have refused to provide any relief in waiving off of the amount of over Rs135 billion in the head of late payment surcharge, saying: "Yes, IPPs want to implement MOUs and seeking relief in LPS amount from IPPs is a request not demand." He explained that IPPs are needed to pay Rs50 billion to PSO and OGDCL and after deducting Rs50 billion, the remaining amount will be doled out to IPPs. However, Tabish agreed saying as per the MoUs, the government cannot force the IPPs for any relief in the head of LPS payments.■

Kakapir women lead mangroves' protection

By Sameer Mandhro

In Kakapir, a fishing village located around 15 kilometres to the West of Karachi, at least two dozen women spend their days planting mangroves- elongating and strengthening a natural wall against tsunami.

Leading the initiative to preserve the natural resource in the area, they realise that them having a secure future is linked to the presence of mangroves.

"It's a valuable tree and we all need to protect them," said 70-year-old Sughra Hajani, one of the women who have dedicated themselves to protecting mangroves in Kakapir village. "I plant them and ask people, [mostly men], to not cut them down," she added.

She, along with other women from her village, collects seeds for planting mangroves during June and July and spends the rest of the year looking after the plants. The women have even set up small nurseries outside their houses and now sell the plants to various organisations. So works as a means of earning for them," said Abdullah, a resident of Kakapir village. "They continually ask us [men] to not cut the trees," he added.

According to Rehman Kandhro, the in-charge of a World Wildlife Fund-Pakistan (WWF-P) wetland centre that offers comprehensive information regarding the plantation of mangroves, the women from Kakapir village look after at least five major nurseries in the village, besides the smaller ones set up outside their homes, and that his organisation often buys plants from them. "The role of these women [in protecting mangroves] is commendable," he lauded. Following the efforts of the village's women, the area covered by the mangrove forest in Kakapir is now around 400 hectares. "And the forest is growing further," said Abdullah. He recalled that the area had a thick forest of mangroves some 40 years ago, until people began chopping off the trees.

"However, now, with the involvement of local communities, the mangroves are being protected and preserved," he added. Particularly appreciating women in this regard, WWF-P director in Sindh and Balochistan Dr Tahir Rasheed said that it was just women from Kakapir village who had been partaking in the initiative for preserving and growing the forest.

"Women, from Kakapir to Kharo Chhan, have been engaged in the plantation of mangroves," he said. "The women of Kharo Chhan, Keti Bunder and other areas of the Indus delta have been actively participating in plantation drives launched by different organisations. So much so, that now even government agencies prefer to get help from women for planting mangroves."

Confirming that the plantation of mangroves was on the rise in the province, he said, "The role of the women of Sindh in this regard has been great." He added, "There are several nurseries along the coastal belt which are being looked after by women."

According to him, local communities, including 30 women and 10 men, have planted around 74,000 mangrove saplings at the Sandspit beach since January. ■

Govt forms body to address SSGC's concern

The government has constituted a committee to address Sui Southern Gas Company's (SSGC) repeated claim of recovering RLNG losses worth Rs7.7 billion from consumers of imported gas after the Oil and Gas Regulatory Authority (Ogra) rejected the claim. "As per directives of the adviser on finance and revenue, a two-member committee comprising Ministry of Finance secretary and Ministry of Energy (Petroleum Division) secretary has been mandated to resolve the issue in consultation with the stakeholders," SSGC stated in a detailed report sent to the Pakistan Stock Exchange (PSX).

The extremely high unaccounted-for-gas (UFG) disallowance is due to the fact that Ogra is not accepting the RLNG volume handling benefit allowed to SSGC vide a summary approved by the Economic Coordination Committee (ECC) dated May 11, 2018, duly endorsed by the cabinet. "Had this benefit been allowed to SSGC, the net UFG disallowance would have been reduced by Rs7.7 billion," the utility said in its interim financial information for nine months ended March 31, 2019. In line with Ogra's determination for the final revenue requirement (DFRR) for fiscal year 2017-18 issued on April 23, 2020, the total disallowance absorbed in these nine months amounted to Rs17 billion against Rs11.5 billion return on assets.

"However, in these unconsolidated financial statements, exceptional UFG disallowances made in DFRR for FY18 have not been followed which have been reclaimed in the motion for review (MFR) petition already filed with Ogra." It is pertinent to mention that all the stakeholders in the regasified liquefied natural gas (RLNG) supply chain are receiving compensation for the incidental cost/loss on actual basis in the process of RLNG supply based on ECC's guidelines issued for the RLNG price mechanism. A similar benefit was allowed to SSGC through the above referred ECC summary in the form of volume handling benefit in the UFG benchmark determination. However, the regulator has refused to implement it. In order to control the situation which SSGC is facing and to address Ogra's concerns, the Ministry of Energy (Petroleum Division) decided to pursue the matter afresh after consulting all the stakeholders. The ministry moved another summary to the ECC to enforce the decision made earlier by the committee. "The latest update on the matter is that the ECC considered the summary in its three meetings but no decision could be taken," SSGC said. Later, a committee was formed to resolve the pending issue. Moving forward, the reduction in UFG is the key to keeping the company operationally and financially viable. Furthermore, it is critical that the company be allowed to calculate the UFG allowance based on RLNG handling on volumetric basis as stated in the decision of ECC of the cabinet, the Karachi-based utility firm said.■

Korea to install world's largest, Most Efficient, Flexible gas turbine

GE (NYSE:GE) has announced it has secured an order from Korea Southern Power Co, Ltd. (KOSPO), a subsidiary of the national utility - Korea Electric Power Corporation (KEPCO), for main equipment including a 7HA.03, the world's largest, most efficient, and flexible 60 Hertz gas turbine for KOSPO's Shinsejong Combined Cycle Power Plant located in Nuri-ri, Yeongi-myon, Sejong Multifunctional Administrative City, South Korea with consortium partner Daewoo E&C. The Shinsejong plant will generate power to sell at Korea Power Exchange and heat to supply district heating to Sejong City, the administrative capital of South Korea.

Energy systems can have an important environmental impact. GE's DLN 2.6e combustion system with its advanced premixer technology installed in GE 60Hz H-class turbines offers a step change in performance, emissions and fuel flexibility. This technology will enable the 7HA.03 gas turbines installed at Shinsejong to generate power with lower NOx emissions, three parts per million of NOx at the main stack with most efficient aftertreatment system. This will help KOSPO meet the growing demand for heat, air conditioning, and electricity while reducing greenhouse gas emissions in alignment with the country's "Green New Deal.", the government's commitment to moving the country to being carbon neutral by 2050. Highly efficient gas power plants will play a crucial role in this transition in South Korea. The Green New Deal includes a roadmap for the energy transition from fossil fuels to environment-friendly sources and various measures to accelerate decarbonization, the development of the hydrogen economy, and expansion of renewable energy use.

"We are honored to support KOSPO in its approach to reducing carbon through generating power and thermal energy from Liquefied Natural Gas" said James Kim, Country Leader of GE Gas Power in South Korea. "With South Korea's power generation stemming primarily from fossil fuels, gas power will play a critical role in facilitating its transition to a lower carbon future. Natural gas-fired combined cycle power plants are the lowest emitting fossil fuel power plants, whether measured based on CO2, SOx, NOx, particulate matter, or mercury. Today, GE is advancing flexible, efficient, and reliable gas power generation solutions, because we believe that gas is best suited to complement renewables and has a fundamental role to fostering a more sustainable energy future. Our GE 7HA.03 gas turbine is highly fuel flexible and able to operate on a variety of fuels, including blends of hydrogen and natural gas to offer multiple pathways to achieve near-zero carbon operations in the next

Agreement signed for Gwadar virtual LNG pipeline

Gwadar GasPort Limited (GGPL), a joint venture formed by the Pakistan GasPort Ltd, Al-Qasim Gas and Jamshoro Joint Venture Ltd entered into an agreement with Gwadar International Terminals Ltd to move liquefied natural gas (LNG) onto special purpose trucks for regasification at various industrial sites across the country.

Through an agreement signed at a ceremony, the GGPL will commence engineering work at the existing Berth-3 at the Gwadar port for shipment of LNG from a floating storage unit on to trucks for shipment to CNG stations, textile mills, fertiliser plants and other such large commercial and industrial units across the country.

The same concept underpinning this 'virtual pipeline' wherein no gas pipeline of Sui companies required, and as a result there will be no unaccounted-for-gas as is the case with the two Sui companies, is seamlessly working in countries such as China, Turkey, and India.

Project envisions special purpose trucks to transport gas to consumers across the country

"This is a major initiative in the private-sector to revolutionise the gas sector in Pakistan", noted GGCL Chairman Mr Iqbal Z. Ahmed. "With no government off-take guarantee or investment, the private-to-private sector sales will cut the red-tape and cater better to the market forces." The arrangement would help eliminate gas shortage next winter, he said. As the gap in demand and supply of gas is expected to spiral beyond two billion cubic feet owing to rapid urbanisation, China-Pakistan Economic Corridor projects, and industrial growth, the virtual pipeline project initiated by the GGPL will help mitigate the brewing gas shortages and also transform the gas sector by transitioning away from the present monopoly of Sui companies to a competitive environment.

Speaking on the occasion, Gwadar International Terminals Ltd Captain Dai lauded the milestone marked at a modest signing ceremony while following Covid-19 safety measures, to bring LNG at the Gwadar port by using the Chinese-operated port as a hub for deliveries to Karachi and the other main centres of consumption in Quetta, Lahore, Peshawar, Sialkot and Faisalabad.

"The port is already successfully and safely handling a diverse range of commodities including LPG, fertiliser, cement, grains and more, and has become a showcase of the \$52 billion CPEC," he said.■

ENGRO ANNOUNCES IATC AWARDS

Engro Foundation, the social investment arm of Engro Corporation, has recognized the achievements of Pakistan's COVID-19 frontline heroes and announced eight recipients of its flagship 'I Am The Change' (IATC) Awards.

Amidst the global pandemic, the IATC 2020 invited frontline workers, who could be self-nominated or nominated by supervisors/head of organizations, to share their inspiring impact stories and how they have been able to create community impact in the fight against COVID-19. More than 100 applications were received in five categories for a chance to receive support and recognition for work carried out. The award categories included public sector health professionals, healthcare workers, doctors, NGO or industry workers, and field staff of a NGO or industry tackling COVID-19.

Following an extensive review of applications by the external jury and IATC team at Engro Foundation, eight recipients were chosen from diverse backgrounds. This year's IATC award recipients include Dr. Sonia Qureshi, Dr. Osama Hussain, Dr. Syed Ghazanfar Saleem, Bilqees Abdul Shakoor, Asif Abul Hasan, Raja Muhammad Iqbal, Naveed Pervez and Sana Sharif. Each recipient will be given a cash award of Rs500,000 in recognition of their efforts.

Their inspiring stories showcase how they are assisting medical camps, providing essential relief services, setting up emergency protocols, supporting families of individuals with Down syndrome, conducting information dissemination and awareness drives, fundraising for ration supplies and establishing free legal aid clinics.

According to Ghias Khan - President & CEO of Engro Corporation and Trustee of Engro Foundation, "The IATC award recipients truly depict how heroes are born in times of crisis. As a Pakistani organization committed to solving some of the most pressing issues of our time, it is a very humbling experience for us to learn from and celebrate the achievements of these individuals and institutions who rose to the occasion. Together, InshAllah we will emerge stronger and united as a nation from this pandemic."

Favad Soomro, Head of Engro Foundation, added that, "While the IATC award recipients deserve special acknowledgement, we would like to express our heartfelt gratitude and respect to all frontline heroes. Their service to the communities, and Pakistan at large, has helped mitigate the impact of COVID-19 pandemic." Earlier in April, Mr. Hussain Dawood – Chairman of Engro Corporation and Dawood Hercules Corporation, had announced a Rs1 billion pledge to support COVID-19 relief efforts on multiple fronts as well.■

Fuel loading for nuclear power plant testing

Pakistan has started loading fuel to the 1,100MW nuclear power plant in Karachi for testing in run-up to its commercial operations in April 2021 while the Azad Jammu and Kashmir government signed agreements with a Chinese company for construction of a 700MW hydropower project.

A spokesperson for the Pakistan Atomic Energy Commission (PAEC) said fuel loading for the newly built Karachi Nuclear Power Plant Unit-2 (K-2) was started early December after obtaining fuel load permit from the Pakistan Nuclear Regulatory Authority. K-2 is a pressurised water reactor based on the Chinese HPR-1000 technology and a third generation plant equipped with advanced safety features, according to the spokesperson. The construction of K-2 plant started on Aug 31, 2015 and its commercial operation will begin in April 2021 after undergoing several operational and safety tests. K-2 is one of the two 1,100MW nuclear power plants being constructed at Karachi. The other plant, K-3, is expected to become operational by the end of 2021. The completion of these nuclear power plants has remained largely on schedule despite the difficult times due to Covid-19 pandemic. The fuel loading was witnessed by Director General of the Strategic Plan Division Lt Gen Nadeem Zaki Manj, PAEC Chairman Mohammad Naeem and senior Chinese and Pakistani officials..■

Net-metering installations reach cumulative capacity of 148MW

A study conducted and published by Institute of Policy Studies (IPS) titled 'Barriers and Drivers of Solar Prosumage: A Case-Study of Pakistan' states that as of November 2020, net-metering installations in Pakistan have reached a cumulative capacity of 148MW, which contrasts very poorly in comparison with other peer regional countries such as India where distributed generation has exceeded 5GW of installed capacity. The study further observes that strong geographic uneven growth exists across the DISCOs in terms of distributed generation uptake where around 70 percent of growth is concentrated in three major utilities namely IESCO, LESCO and KEL.

Overall, the challenges at interconnection phase were identified as the dominant challenge to PV (photo-voltaic system) development, which included time lapse in acquiring of three-phase metering equipment at the initial stage, absence of online facility for applications, unavailability of bi-directional meters, and unnecessary delay in processing of the applications at every stage. The cumbersome procedure makes it quite challenging to get the generation license.

Further, since DISCOs are playing the primary intermediary in this entire process-playing the role of coordinator between distributed resources-they continue to be reluctant towards distributed generation growth owing to administrative burden of processing applications, perceived fears of revenue losses and integration challenges, etc. Although they are obliged by law to implement the net-metering regulations however currently no accountability mechanism exists which could bind them to do the same. The report also observes skewed concentration of distributed generation in resourceful sections of society. This skewed concentration is indicated to be rooted in 'high cost of solar PV installation' and the interlinked challenge of 'difficulty in access to borrowing' for financing the solar PV system. And while the State Bank of Pakistan has introduced a scheme for supporting rooftop solar yet its limited adoption by commercial banks continue to restrict borrowing for these installations. In parallel, absence of Fee of Service Models-such as third party investors-again contribute to slow diffusion of solar PV among larger sections of society.■

Consumers asked to follow Gas Load Management Plan

SSGC organized a media briefing in its Head Office to explain to the media persons about the natural gas load management plan it is implementing during the current winter season. The briefing was addressed by Saeed Larik, ADMD (UFG). He was assisted by Kamran Nagi, GM/Incharge Distribution Karachi, Shahbaz Islam, GM (Corporate Communications) and Official Company Spokesperson and Mohammad Kamran, DGM-Billing.

In his remarks, ADMD (UFG) reiterated that SSGC always works towards ensuring uninterrupted gas supply to its customers. However, since there is a major gap between demand and supply that needs to be managed by load management which actually defines a sectoral priority set by the Federal Government with some specific directives from the Cabinet Committee on Energy (CCOE). Mr. Larik said that while SSGC is currently being provided 1000 mmcfd indigenous gas, constrained demand is around 1250 mmcfd.

Mr. Larik explained that rapid depletion of natural resources in the recent years has contributed primarily to a shortfall of 200 to 250 mmcfd gas especially since the domestic sales sees an increase of 50% every year. He said that as per CCOE directives, there would be no curtailment of gas supply to the domestic and commercial sector and in order to meet the demand of high priority sectors, SSGC is obligated to curtail gas supplies to CNG, general industry (non-export), captive power plants (non-export) and captive power plants (export) which are connected to power grid and can meet the requirement of their power generation. AMD (UFG) said that the current decision to curtail gas to Captive Power Plants (CPPs) of industries including non-export and export are on an as and available basis during March to November each year as per agreement. In this situation, these units would make duel fired arrangements to avoid production loss between the peak winter months of December, January and February and SSGC is not obligated to supply gas to captive units of general industry from December to February, he explained.■

Electric vehicles to tackle pollution, energy crisis issues

The greater use of electric vehicles (EVs) by a country like Pakistan is most suitable to tackle its urgent issues related to harmful vehicular emissions and energy crisis due to depletion of the fossil fuel resources. Engineer Dr Izza Anwer, a PhD in intelligent Transport System Technologies and Disaster from the UK and now an assistant professor at the University of Engineering and Technology Lahore, while addressing a webinar. The webinar on "Electric Vehicles: Prospects, opportunities and challenges" was organised by the Association of Energy Engineers, Pakistan Chapter in collaboration with the Energy Update.

Speaking on the occasion, Dr Izza Anwer said that the use of the EVs was very much in line with Pakistan's pursuit to achieve the UN-mandated Sustainable Development Goals. She suggested that the government should give tax relaxation to promote the regime of EVs so that half million of them become operational in the country by the year 2025.

She suggested that smart metering system should be launched for EV charging stations to be established in the country. The mode of public-private partnership should be adopted to build the charging infrastructure for the EVs in the country. She suggested installation of charging infrastructure in all major cities and across major streets and roads.

A proper research and development facility should be established to maximize the benefits of the EVs regime for the country. Dr Anwer said that 670 Megawatts electricity was required for the usage of the EVs in the country instead of the conventional vehicles that used fossil fuel as this would bring 0.68 billion litres of fuel-saving every year with the monetary benefit of Rs 46.32 billion.

She said that despite all the transmission and distribution losses in the country's power supply system, up to 500,000 EVs could be fully charged with a supply of less than 1,000 MWs electricity. She said that owing to the efficiency of the battery-based energy storage, EVs could give the same mileage with one-third of the cost compared to the conventional vehicles.

"Moreover, due to this efficiency, even if EVs are charged with fossil fuel-based electricity generation sources, such as natural gas or coal, almost 25 to 40 per cent fuel could be saved due to higher electricity generation efficiency of larger units. This directly translates into a lower import bill," said the faculty-member. She said the EVs required minimal maintenance and didn't need oil and other lubricant changes, which further reduces imported oil requirements. She added that the efficiency of EVs resulted in 70 to 80 per cent less environmental emissions when compared to the conventional vehicles.

Dr Anwer informed the audience of the seminar that Pakistan's first-ever National Vehicle Policy had been approved by the cabinet in November 2019 as the government viewed it as a forward-looking step needed to deal with climate change concerns emanating from vehicle emissions with rapidly rising use of cars and other vehicles. She said the EV manufacturing and usage should aim to maximize the benefit of reducing greenhouse gas emissions as for the purpose measures should be adopted to decarbonize the electricity generation mix.

She said the end-of-life management of the EV's batteries should be carefully planned both to limit environmental pollution and to reduce the volumes of critical raw material needed for batteries. This includes taking steps to establish second-life applications of automotive battery, the standard for battery waste management and environmental requirements on battery design. "It is important that the government and the auto manufacturing industry develop the needed capacity to anticipate the risks associated with these changes and design strategies to manage them," she added.■

DICE Foundation to develop first electric vehicle in Pakistan

The Technical Education and Vocational Training Authority (TEVTA) and the DICE Foundation Monday signed a memorandum of understanding (MoU) to develop Pakistan's first electric vehicle.

According to a spokesperson here, TEVTA Chairperson Ali Salman Siddique and DICE Foundation Chairperson Khurshid Qureshi signed the MoU at a ceremony here at TEVTA Secretariat while Punjab Minister for Industries Mian Aslam Iqbal was the chief guest on the occasion.

Addressing the ceremony, the minister said that TEVTA had changed the mode of conventional technical education to modern digital-based technical education. He said that for the purpose, the steps of the TEVTA chairperson were admirable, adding that the development of the electric vehicle would be a paradigm shift for the automobile sector as well as technical education in the country.

Ali Salman Siddique noted that TEVTA was implementing the vision 2023 successfully. He said that the initiative would not only provide training and job opportunities to students but also play its role in the country's development.

DICE Foundation Chairperson Khurshid Qureshi said that he chose TEVTA from several other organisations because he believed that its skilled workforce could play its role in the development of the vehicle. He said that there was a dire need to provide a platform to the skilled youth as it was the only way which could put Pakistan on the development track.■

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