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APTMA urges govt to rationalize captive power levy



All Pakistan Textile Mills Association (APTMA) has urged the government to rationalise the captive power levy, stating that it has pushed the cost of electricity for industry to as high as Rs75 per unit, while load shedding continues to disrupt industrial operations.

In a letter addressed to Petroleum Minister Ali Pervaiz Malik, APTMA Chairman Kamran Arshad appreciated the government's diplomatic efforts in facilitating a ceasefire and de-escalation of tensions between the United States and Iran. He noted that Pakistan's constructive role at a time of heightened global uncertainty has enhanced its international standing. "For the first time in Pakistan's history, the country is being recognised as a peacemaker on the global stage. This shift in perception is both significant and timely," he said, adding that with oil prices stabilising and hostilities subsiding, an opportunity has emerged for Pakistan to reposition itself economically and strategically.

However, he stressed that Pakistan has repeatedly failed to translate favourable geopolitical developments into tangible economic gains. Despite improved global perception, the domestic policy framework continues to constrain competitiveness, with the cost of doing business reaching unsustainable levels.

APTMA highlighted that the industrial sector is currently facing load shedding, while alternative backup energy sources are becoming increasingly expensive. A levy of Rs80,000 per ton on furnace oil—priced at around Rs330,000 per ton—has significantly inflated energy costs, raising electricity tariffs for captive power generation to approximately Rs75 per unit, more than double the benchmark grid tariff of Rs32 per unit. The association stated that this disparity places Pakistani manufacturers at a severe disadvantage compared to regional competitors. It argued that the furnace oil levy lacks economic justification, particularly as there is no clear linkage between energy prices and the methodology used to calculate the levy on high-speed furnace oil, which is primarily used as a backup energy source.

Kamran Arshad noted that in the current scenario—where load shedding is already affecting industrial output—such policies not only increase input costs but also undermine productivity and export potential. APTMA called for an urgent review and rationalisation of the captive power levy mechanism, stating that the current

structure has had adverse effects across the board and has failed to deliver intended outcomes. It emphasised that the immediate removal of the levy would ensure fairness and prevent undue financial burden on efficient industrial units.

“I urge you to review these redundant and counterproductive measures, particularly the furnace oil levy and the prevailing fuel cost structure, so that our industry can operate on a level playing field,” Arshad said.

The association further maintained that by aligning economic policies with emerging geopolitical opportunities, Pakistan can not only enhance its diplomatic standing but also achieve sustainable economic growth.

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