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Industrial sector

Nine cent energy tariff approved: minister



CAIRO (Egypt): The Apex Committee of the Special Investment Facilitation Council (SIFC) has approved an energy tariff of nine cents for the industrial sector against the current rate of 14 cents and the matter will be taken in the next Cabinet meeting.

This was stated by caretaker Federal Minister for Commerce and Industry Dr Gohar Ejaz while talking to Business Recorder on the sidelines of the 4th Pakistan Africa Trade Development Conference and Single Country Exhibition in Cairo. Replying to a question, the minister said that the matter would also be taken with the International Monetary Fund (IMF) as it is not a subsidy.

“Yes nine cents has no subsidy rather industrial tariffs are subsidising other tariffs and a big anomaly has been unearthed and was presented to the SIFC”, Dr Ejaz added.

He further said, “We can increase to two billion dollars per month with a regional tariff of nine cents which is even agreed with the Power Ministry and it should be a tariff for the complete industry also approved by the Apex Committee of the SIFC last week.”

He further said that a 20 billion dollar increase in exports is possible in one year for Pakistan, January to December, it only needs clear policies.

The minister envisioned a substantial boost in Pakistan’s exports, projecting a \$20 billion increase for the year 2024 (January to December).

This optimistic outlook comes after concerted efforts by the caretaker team to address the challenges faced by Pakistani exports.

In July 2023, Pakistani exports had faced a setback, declining to \$2.068 billion. Recognising the significance of this challenge, the caretaker setup, assuming office in August 2023, dedicated itself to enhancing exports and curbing the trade deficit, he added.

The results of these efforts are evident in the remarkable progress achieved by December 2023, with exports surging to \$2.812 billion—a noteworthy increase of \$511 million. The caretaker team’s strategic focus on elevating the export of manufactured goods has played a pivotal role in this success.

By ensuring adequate energy supplies for industrial production, Pakistan has successfully revitalised exports, particularly targeting markets in the USA and EU. This revival in export capacity sets the stage for Dr Ejaz's optimistic projection of a \$20 billion increase in exports for the upcoming year.

Dr Ejaz expressed confidence in the positive trajectory and emphasized his commitment to fostering sustained economic growth through robust export strategies.

Regarding the exhibition in Cairo, he said that a good response was observed and it was the first step in the right direction. Both countries have the same exports of around 30 billion dollars each and the same trade volume. It was an uncaptured market and expecting a huge response to boost the country's exports, he added.

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