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Karachi: Ms. Qurrat Ul Ain, Acting President, FPCCI, has demanded that – while the apex body appreciates the announcement of winter package – the relief in the electricity tariff announced under it should be made available to small & medium enterprises (SMEs) as well through withdrawing the condition of 100,000 units consumption in the corresponding period of last year; and, resultantly, only applying the Rs. 26 / kWh tariff to the incremental units consumed after that threshold.

Ms. Qurrat Ul Ain, Acting President, FPCCI, explained that SMEs and new industries in particular cannot fulfil this conditionality; therefore, they will remain disadvantaged as compared to the larger industrial units. Additionally, the government will also not get full results of its winter package in industrial production and exports as the limitations in the applicability of the winter package will create impediments in fully materializing the impetus offered for trade and industry.

Acting FPCCI Chief highlighted that 100 textile units are already closed in Faisalabad due to burgeoning cost of doing business and lack of ease of doing business parameters in the country. The two biggest contributors keeping the cost of doing business high in Pakistan – as compared to the regional competitors – are electricity tariffs and key policy rate of 15 percent, she added

Ms. Qurrat Ul Ain highlighted that the core inflation clocked at 7.2 percent in October 2024; while, the key policy rate continues to be at 15 percent – representing a premium of 780 basis points (bps). She reiterated FPCCI's demand to bring interest rate down to single digits; and, it should be done in a single policy decision in the next meeting of the monetary policy committee (MPC) meeting of the SBP

Mr. Abdul Mohamin Khan, VP & Regional Chairman, FPCCI, raised the issue of losses booked by electricity distribution companies (DISCOs) year after year; which are expected to be approximately Rs. 600 billion in FY25. We need to plug these slippages and use the buffer for rationalizing electricity tariffs, he added.

Mr. Aman Paracha, VP FPCCI, stressed that the government should not entertain K-electric's efforts to get an increase in electricity tariff through their requisition in NEPRA as the business, industry and trade community of Karachi is already under a lot of stress due to rising costs and shrinking profitability. The government should resist any further increase in electricity tariff for Karachi in the broader national interest, he added.

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