

LCCI urged the government to remove taxes on Furnace Oil to ensure relief to the industry

The Lahore Chamber of Commerce and Industry Wednesday urged the government to remove taxes on Furnace Oil to ensure relief to the industry and industrialists who are under tremendous pressure because of acute gas shortage and expensive alternate fuels like furnace oil. In a statement issued here, the LCCI President Irfan Qaiser Sheikh, Senior Vice President Kashif Younis Meher and Vice President Saeeda Nazar said that the industry is the biggest job provider and its closure would not only create social unrest but would also deprive government of much-needed revenue to run its affairs therefore it is duty of the government to ensure availability of cheaper alternate fuel to the industry if it is unable to provide gas.

“The rise in number of unemployed would definitely give air to anti-government sentiments because industry closure would throw millions of industrial workers out of jobs.”

The LCCI office-bearers urged the government to immediately take concrete measure to avert industrial closures and resultant massive lay offs.

“How can the industry afford to pay the all-time high mark up of 16 per cent when there is no gas for the industry.” They said that around 40 per cent of the industrial units in Punjab run on gas and gas suspension means no production by almost half of the industry and a loss of millions of rupees to the exchequer. They said that there is a global phenomenon that industry is given top priority whereas in Pakistan it comes to the least and other sectors are given priority. They also urged the government to get obsolete gas geysers and heaters with latest solar geysers and heaters to ensure gas to the industry. The ‘discriminatory attitude’ of the government was not only denting its goodwill and reputation but had also put a question mark on its ability to manage and govern things. They said that the industrial units in Sindh were getting an almost uninterrupted supply except a two- to-three hour load shedding. Pointing out that the gas suspension plan a death knell for export-based industry and productivity, the LCCI office-bearers sought the Prime Minister’s intervention and help for a regular supply of gas to the industry in Punjab or removal of taxes on Furnace Oil. How the industry would be able to manage export orders worth millions of dollars when there is no gas?

What about the thousands of daily wagers who have a single source of income? And above all, they added, how the government would convince both the local and foreign investors for investment when it is unable to manage the supply of gas to existing industrial units. The LCCI office-bearers said that the gas suspension decision had sent a very negative signal to the foreign buyers. “Instead of coming up with some sort of relief package, the industry is being pushed to the wall. The gas suspension for three

months is tantamount to throttling the industry to death.” Giving a breakup, the LCCI office-bearers said that the industry was denied gas for 77 days in 2008-09, 100 days in 2009-10 and 160 days in 2010-11. “Over 72 per cent hike in power tariff in the last five months had made the scenario more complex and complicated. To run the industry on alternative fuel, including diesel and furnace oil at their existing price is not a viable proposition.” The shortage of gas is not the only issue its improper distribution also remains a cause of worry. The Lahore Chamber had sent an SOS call to the federal government on continuous energy disruptions as the gas and electricity were a prerequisite for the smooth functioning during winter.

The government should divert all new-found gas to the network of Sui Northern Gas Pipeline Limited network. Expeditious import of 500 million cubic feet gas per day LNG would considerably overcome the gas shortage for the industry. Despite competitive quality and price, Pakistan exporters were unable to make delivery on time, they added. They said that it seemed that some elements in the Gas department were hatching conspiracies against the government to defame it. The LCCI office-bearers said that the businessmen were unable to understand that why the business community was not taken into confidence over industry-related issues and if the SNGPL was facing some supply related issues they must bring them to the notice of real stakeholders well ahead of time. “It would have taken about two years to set up a system for LNG supply, had the government been accepted LCCI proposal a couple years ago. The LCCI office-bearers urged the Prime Minister Yousaf Raza Gillani and Federal Minister for Industries Chaudhry Pervaiz Ellahi to give a sympathetic consideration to the LCCI proposal regarding removal of taxes on Furnace Oil during Winter season.

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