

# DIFFUSE CLOTS IN ECONOMIC VEINS

By

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Our country is caught in a vicious Inflationary cycle. Continuously rising prices have made the life of low and middle income groups miserable. This has been further aggravated by the load shedding of gas and electricity. People have started coming onto the streets only to find that there is no quick fix for their miseries.

Oil, gas and electric utilities are trapped in circular debt and there appears no way out of it. Juggleries of financial and economic teams are only patchworks which do not last long. For last many years, we have been surviving on such patchworks. Economic illness is getting worse by the day. Conventionally, Corruption, Inefficiency, Law and Order and War on Terror are stated to be the major reasons. This is certainly correct and no effort should be spared to overcome these problems on high basis. However, few people seem to realize that unless the clots in the economic veins are diffused, and production increased to a level to match the demand at affordable and competitive prices, the inflationary pressures would mount to dangerous proportions. The production is getting strangulated due to the scarcity and high cost of energy in both gas and electricity sectors.

## **Gas**

Common man, coming on to the streets is demanding of the authorities to provide gas for domestic use. The industrialists are shouting for the gas so that they could keep the wheels of the economy going. Gas starved Power sector is being forced to either shutdown or use expensive fuels, making electricity expensive. They perhaps do not seem to realize that there is no gas available to meet the demands of the various sectors.

Pakistan is reported to be a gas prone country but unfortunately the intensity of exploration is very low. Recent press reports indicate that OGDCL has shown remarkable progress over the past six months. Let's hope that they keep up the tempo, in fact further accelerate it. The pathetic story of import of gas from Qatar, 25 years ago to decade old gimmicks with Iran and lately Turkmenistan are too well-known to require repetition here.

## **Electricity**

This is another issue perhaps more serious that is bringing the people to streets. Problem is two fold; one the acute shortage and the second high costs. Go on adding thermal power, keep on adding IPPs and go on putting Rental plants. High and continuously rising oil prices have brought electricity prices to a formidable level. As is already happening, paucity of funds particularly the Foreign exchange, a day may come when we may have power stations but no fuel to run them. The hydel component has over the years dwindled down to less than 30% from one time 75%. It is most unfortunate that a country bestowed by Almighty, with largest glaciers and with water flowing from Himalayan and Karakoram heights, should have developed only a fraction of its potential. Is it not 'Kuferan-e-Naimat'? By not continuing with the large scale projects immediately after Tarbela, we are also guilty of loosing a very large talent pool. Our human resource trained in the nurseries of Jabban and Dargai rallied together to build Warsak followed by Mangla and Tarbela. If we had continued immediately after, today we would be reckoned as the most sought after dam builders in the World. Is it not a shame that we still go around the globe seeking help for the construction and financing of a small project like Gomal Zam which shall add only 18 MW while we talk of hydel addition of thousands of MWs.

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1. Former Member WAPDA, Member/Chairman NEPRA, presently Member Think Tank PEC.

### **Flood 2010- Lessons learnt**

Devastating as it was, it proved a great eye-opener for the entire nation from one end of the country to the other. This could be termed as one in a hundred years repeat flood and it carried clear message for those who care to understand that:

1. Certain parts of Khyber Pakhtunkhwa (KPK) particularly the Nowshera valley would get affected even though Kalabagh Dam was not there.
2. Culprit for the submergence in the Nowshera valley is "Attock Gorge" which causes constriction resulting in the rise of water level in the Nowshera valley that has lesser gradient than Indus valley.
3. One should concentrate on obviating this bottleneck. Some measures are already in place; others may come in due course and yet some more could be conceived.
4. Interestingly, one of the many devices to deceive the Attock Gorge is the construction of Munda Dam. It may to a certain extent reduce the high floods in Swat River. This project has many other desirable features also but unfortunately, it is very expensive. According to Wapda / Cida landmark study of 1984, it is almost the lowest in the ranking list and therefore, not a stand-alone project. Finance starved nation like Pakistan cannot afford to undertake it when other devices for this purpose are available. However, there is a redeeming feature. Economics of Munda can be somewhat improved if its regulated outflows could be reutilized at a hydrostation downstream. This location cannot be other than Banni Afghan / Kalabagh Dam (KD). Munda and Kalabagh therefore, present a beautiful combination.
5. To prevent the devastation downstream in the Indus plains there is no other way but to construct a storage dam downstream of the confluence of Soan with Indus.
6. The only such place happens to be near the town of Banni Afghan / Pirpai up above the left abutment, an area inhabited by Khattak tribes of Mianwali. Beside this township, a large residential colony duly constructed by WAPDA lies uninhabited for the past quarter of a century.
7. The site was identified in early last century during British India and investigation work has been going on for decades.
8. The site is so attractive that many countries would envy it. Being located in population / load centers, the transmission losses would be negligible. It shall provide tremendous economic activity particularly for the people living on both sides of river Indus in Mianwali and Attock district on the left bank and Lakki, Karak, Bannu, Kohat upto Akora Khattak on the right.
9. The dam shall favorably raise water table in the barren areas of Karak, Attock and Kohat.
10. Above all, people ought to know that KPK is not utilizing its share of water. On the other hand, 27 MAF of Kabul and Swat rivers is getting squandered into the sea. There is 'No' repeat 'No', location other than this to store and regulate it.
11. Does the common man in KPK know that unless we store the water and provide an irrigation outlet on the right bank, there is no way KPK can utilize its due share for the development of the most neglected part of the province? Districts of Kohat, Karak, Bannu and Lakki Marwat shall ever remain without irrigation supplies and KPK share of water shall continue to be used by others.

12. The lower riparian who might have apprehension that KD would store 'additional' water may rest assured that KD at this point in time shall act as only a "Replacement" reservoir for the capacity already lost in existing reservoirs like Mangla, Tarbela and Chashma due to silting. It is precisely the reason that the kharif crop is getting reduced flows.
13. Another important role of KD is that it shall act as substitutive reservoir and enable Tarbela to operate at higher heads, generating more power and energy.
14. Ever since Mangla and Tarbela power stations came into operation, innocent customers have been duped with the explanation that the load shedding in December and January was inevitable because of canal closures, for the purpose of maintenance of canals and barrages. Decision makers do not seem to realize that it is only KD that can provide re-regulation facilities so that giant hydel project of Tarbela and Ghazi Brotha could continue generating to their capacity and save the country from load shedding during canal closures to a great extent.
15. Last but not the least, Sixteen million Pakistanis living in cosmopolitan Karachi are not availing the benefit of cheap hydel power. Let it be ensured that KESC shall be a stakeholder in hydroelectric generation. Our sixteen million brethren in Karachi should also have the taste of cheaper electricity.
16. After witnessing such enormous destruction of property, crops, dislocation of million of people and consequential deaths and miseries, Leadership of all the provinces should rise to the occasion and fulfill their moral and human obligation to their voters.
17. Human Rights Organizations who have witnessed the havoc of the 2010 Floods may also convince the decision makers to see sense and resume work on the stalled Kalabagh Dam on fast track. .
18. Before concluding, let it be made clear that Basha is a very good site. Let the work continue on it as fast as possible. Kalabagh does not stand in Basha's way because it is a short gestation project with so much work already completed. Kalabagh can also claim priority for many reasons listed above. If work is resumed earnestly, it could be completed at least five years before the ongoing Basha. In fact, it would fit beautifully in the phasing of expenditure on the two projects.
19. Luckily, at this point in time, we have a federal government that has a significant representation from every province. Let this government play its moral duty and win the laurels for presenting this beautiful gift to the nation desperately needed by it.

**May Allah Guide Us**