

Press Release

The Problem of Expensive Electricity is Not Solved by a Reduction in Capacity Payments and Renegotiation of Contracts Alone. The Solution is the Radical Abolish of Privatization in the Energy Sector, as Per the Command of Allah (swt)

(Translated)

The release of data regarding capacity payments for power plants by the former caretaker commerce minister, Gohar Ejaz, has shocked the people. The framework of the contracts of capacity payments, which is valued at more than 2,000 billion rupees, has been arranged by the international colonialist organizations, the World Bank and the International Monetary Fund (IMF). A major part of this capacity payment is the interest on riba loans to these factories. The funds are being collected from the public and businesses, even if these factories do not generate a single unit of electricity. In fact, this is the reality of some factories. Thus, these few investors and banks are looting the pockets of people, whilst sitting at home. Most of the existing power plants are now based on investments from the China-Pakistan Economic Corridor (CPEC) initiative. CPEC has ruined our economy and people. Isn't CPEC the "game changer" that the rulers used to rave about?!

The rulers were aware of the energy agreements for "take or pay" from the very first day. They made these agreements, and are constantly making new agreements. Those who complete their period of agreement are allowed to continue looting the people, by extending their licenses. The purpose of leaking the current details is only to put some pressure on China to re-negotiate these agreements. The energy sector is on the brink of total collapse, and without any changes to these agreements, there will be severe public pressure. There is fear of a domino effect, increasing pressure to abolish the looting, before a complete collapse. So, through some reforms, attempts are being made to save the colonialist neoliberal capitalist privatization of the energy sector, so that this cruel system can continue. The solution to this problem is not a few reforms in the existing contracts. The solution, according to the order of Allah (swt), is to declare energy as "public property" and bring it under state supervision. Then the income of this sector can be collected in the Bayt ul Maal public treasury, and the people can have energy at cheap prices. The Messenger of Allah (saw) said, «المسلمون شركاء في ثلاث، في الكَلْبِ، والماءِ، والنَّارِ» **"The Muslims are partners in three things, water, pastures, and fire (energy)."** [Abu Dawud and Ahmad]. So privatization of the energy sector is clearly prohibited by Islam.

Due to these energy agreements, salaries of the Muslims are eaten up by electricity bills, while their children are starving. So why must we be silent regarding

these cruel agreements, made in the name of global order sovereign guarantee, that strangle our people? We must not be silent. We must demand our rights by Islam and protect our people. The Messenger of Allah (saw) said; «المسلمون على شروطهم إلا شرطاً حرم» «Muslims are bound by their contracts terms, except for those conditions which make the halal forbidden and the forbidden halal.» [Tirmidhi]. The contracts are clearly forbidden because they are converting public property into private property. No one in the world has the right to overturn the command of Allah (swt). Moreover, Allah (swt) does not allow us to permit the kuffar, and their disbelieving authorities, to dominate the affairs of Muslims. In these contracts, the international colonialist institutions have the authority to impose fines and punishments on us. Allah (swt) said, «وَلَنْ يَجْعَلَ اللَّهُ لِلْكَافِرِينَ عَلَى الْمُؤْمِنِينَ سَبِيلًا» “And Allah does not grant the kafireen any authority over the believers.” [TMQ Surah An-Nisa 4:141]

This is the reality of Foreign Direct Investment (FDI), for which the current rulers created the Special Investment Facilitation Council (SIFC), and declared a new road map for the country’s development. Isn’t this the same road map whose results are already in front of us? The dollar return on investment in power plants has depleted our foreign exchange reserves. On top of that, the main reason for the continuous increase in the electricity prices is due to payment in dollars, as the depreciation of the rupee makes price increases inevitable. The focus of Chinese and Western investment is to monopolize the country’s valuable resources by privatizing publicly-owned resources. This gives them a guaranteed return in dollars, even if the people are forced to sell their kidneys, and the domestic industry collapses.

This is the colonialist model of international order, which our rulers have been conveying to the people day and night. The only model of development and prosperity for Muslims is the Khilafah Rashidah (Rightly Guided Caliphate) on the Method of Prophethood. The Khilafah Rashidah will combine the resources of the entire Muslim world to form the largest economy in the world. The economic model of Islam will not allow a few capitalists and colonialists to exploit the resources of the Ummah. Instead, the Khaleefah Rashid (caliph) deposits the income of the resources of the public property in the account of Bayt al-Mal to spend on the affairs of the public, whilst providing these resources to the people at cheap prices. The Khilafah Rashidah will end the “take or pay” contracts, because the Khilafah (Caliphate) is based on the refusal of the tyranny of this colonialist world order. The Khilafah Rashidah will carry out its international transactions in gold and silver currency instead of dollars, so that no world power will have the power to influence our affairs. Allah (swt) said, «لِمَثَلٍ هَذَا» “For such honour all must strive.” [TMQ Surah As-Saffat 37:61].

Media Office of Hizb ut Tahrir in Wilayah Pakistan