

Press Release

Complying to IMF Dictates, the Bajwa-Imran Regime Drops the Mountain of Circular Debt on the Heads of the People

The Bajwa-Imran regime has moved a bill in the National Assembly to amend the NEPRA Act of 1997, such that NEPRA (National Electric Power Regulatory Authority) can impose surcharges on electricity consumers at will. The Bajwa-Imran regime has done so to comply with the dictates of the IMF. The IMF has imposed a condition that the power sector's circular debt must be scaled down to 50 to 75 billion Rupees per annum by 2023, whereas currently it is 456 billion Rupees per annum. Moreover, the accumulated total circular debt is at around 1800 billion Rupees. Much of the mountainous circular debt is due to transmission line losses, non-recovery of bills and compound interest, which will now be placed as a burden on the people. Since coming to power, the regime of "change" has already increased the cost of electricity by at least 12.5% and up to 30% depending on usage. Moreover, for a three-year period, industry is not allowed to privately generate cheaper electricity, hugely burdening production and compromising competitiveness. Thus, the regime of "change" is running the struggling economy and people into the ground, to comply with the international colonialist mafia. Hizb ut Tahrir Wilayah Pakistan strongly condemns the regime for an oppression which only benefits the international and local investors in the power sector.

The origin of circular debt in the power sector of Pakistan is the batch of agreements made with private power producers. Through these agreements, electricity generation hundreds of billions of rupees in profits goes into the pockets of local and international investors, rather than the state treasury. Furthermore, the unit cost of electricity has been weighted towards higher estimates, whilst billions of rupees are being charged annually as "capacity charges." Capacity charges are paid out to production units when they are idle, or producing below capacity, at times of decreased demand due to seasonal or other factors. The capacity charges are calculated to cover bank loan repayments, fixed operational costs and profits for the independent power producers. As per a report of July 2019, capacity charges have shot up to 900 billion rupees per annum. Now, the entire mountainous burden will now be brought crashing down on the heads of the people.

Under the democratic capitalist system, the Muslims of Pakistan will never get electricity at a price which reduces the input cost of industry, agriculture and trade, so that the economy revives. Only the Khilafah (Caliphate) on the Method of the Prophethood will eradicate the power sector debt crisis. Rejecting IMF dictation, the Khilafah will submit to the commands of Allah (swt) which places the power sector under public ownership, preventing private ownership absolutely. The Messenger of Allah (saw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثِ الْمَاءِ وَالْكَوَالِ وَالنَّارِ» "The Muslims are partners in three things, waters, feeding pastures and fire (energy)." (Ahmed). Thus, Islam places the supervision of the energy sector on the state, which will ensure the provision of electricity at a price which will not be a burden, allowing for a rapid revival of the economy.

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