

SENATE OF PAKISTAN



REPORT NO. 02 OF 2020

**REPORT OF THE SENATE STANDING COMMITTEE ON
PETROLEUM ON "POINT OF PUBLIC IMPORTANCE
REGARDING DISTRIBUTION OF NATURAL GAS AMONGST THE
PROVINCES IN ACCORDANCE WITH ARTICLES 158 AND 172 OF
THE CONSTITUTION RAISED BY SENATOR DR. SIKANDAR
MANDHRO DURING SITTING OF THE SENATE HELD ON
21ST JANUARY, 2020.**

**PRESENTED BY
SENATOR MOHSIN AZIZ
CHAIRMAN (COMMITTEE)**

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON PETROLEUM ON THE POINT OF PUBLIC IMPORTANCE REGARDING DISTRIBUTION OF NATURAL GAS AMONGST THE PROVINCE IN ACCORDANCE WITH ARTICLES 158 AND 172 OF THE CONSTITUTION RAISED BY SENATOR DR. SIKANDAR MANDHRO DURING SITTING OF THE SENATE HELD ON 21ST JANUARY, 2020.

1, Senator Mohsin Aziz, Chairman Standing Committee on Petroleum have the honor to present on behalf of the Committee, this report on the Point of Public Importance regarding distribution of natural gas amongst the provinces in accordance with Articles 158 and 172 of the Constitution of Islamic Republic of Pakistan, 1973 raised by Senator Dr. Sikandar Mandhro during sitting of the Senate held on 21st January, 2020 and referred to the Standing Committee for consideration and report.

2. The composition of the Committee is as under:-

1.	Senator Mohsin Aziz	Chairman
2.	Senator Lt. Gen. (R) Salahuddin Tirmizi	Member
3.	Senator Salem Zia	Member
4.	Senator Shammim Afridi	Member
5.	Senator Mir Kabeer Ahmad Muhammad Shahi	Member
6.	Senator Nauman Wazir Khattak	Member
7.	Senator Behramand Khan Tangi	Member
8.	Senator Qurat Ul Ain Marri	Member
9.	Senator Kauda Babar	Member
10.	Senator Taj Muhammad Afridi	Member
11.	Senator Dr. Jehanzeb Jamaldini	Member
12.	Senator Sardar Muhammad Yaqoob Khan Nasar	Member
13.	Senator Mir Muhammad Yousaf Badini	Member
14.	Minister for Energy	Ex-officio Member

3. The Committee took up the issue in its meetings held on 6th March, 2020 but was deferred due to absence of the mover. The Committee again took up the issue in its meeting held on 10th August, 2020 which was attended by the following members:

1.	Senator Mohsin Aziz	Chairman
2.	Senator Mir Kabeer Ahmad Muhammad Shahi	Member
3.	Senator Dr. Jehanzeb Jamaldini	Member
4.	Senator Lt. Gen. (R) Salahuddin Tirmizi	Member
5.	Senator Saleem Zia	Member
6.	Senator Taj Muhammad Afridi	Member
7.	Senator Sassui Palijo	Mover
8.	Federal Minister for Energy	Ex-Officio Member

4. In the absence of the mover, Senator Sassui Palijo took the issue in the Committee on behalf of the mover. She informed that Article 158 of the Constitution provides for precedence to the fulfillment of requirements of the gas producing province but the provision of the Article is not adhered to. She further stated that Article 172 of the Constitution jointly vests minerals in Federal and Provincial Governments and Article 154 provides for regulation of subjects in Federal Legislative List part II by the CCI. It also provides for CCI's supervision over the institutions constituted for the regulation of the


subjects in part II including gas and oil. But the Federal Government has not given due representation to the Provinces in these institutions. She was of the view that the Government should take practical steps to resolve the issue of distribution of gas amongst the provinces in accordance with the provision of the Constitution and shall give precedence to the fulfillment of gas requirements of the gas producing provinces.

5. The Minister for Petroleum informed the Committee that Pakistan is a gas deficient country. It produces 3.980 BCF gas whereas its demand is 7 BCF. He further stated that the present resources of gas are fast depleting and the provinces with surplus gas at present will be no longer surplus during a year or two. He informed the Committee that the present Government has issued 10 exploration licenses but no big discoveries are coming. About the issue of distribution of gas amongst the provinces, he informed that it was considered in the meeting of the CCI held in December, 2019 and a three member committee was constituted in order to consult the provinces and devise a way forward for implementation of Article 158 and 172(3) of the Constitution. He informed that initial meeting of this Committee was held in March, 2020. However, due to Covid-19 pandemic no further meeting of the Committee could be held. He informed that a meeting of experts from all the provinces is being held in Islamabad during the current month to discuss this issue and recommend a way forward for resolving the same. He hoped that the Government will be able to devise a mechanism, with consensus, through CCI for distribution of gas amongst the provinces after receiving the recommendations of the meeting of experts of all provinces in Islamabad.

6. The Committee Members were of the view that Article 158 of the Constitution provides precedence to the gas producing province in meeting its requirements. Therefore, the gas producing provinces should be provided gas according to their requirements. The Committee was of the view that if the nature has gifted a province with some advantage in the shape of natural resources, it should not be deprived of this advantage. Any decision of weighted average will not only be unjust and unfair but will create a sense of deprivation in the gas producing provinces and will tantamount to taking away the advantage of smaller provinces as against the spirit of the Constitution. After thorough discussion, the Committee disposed off the Calling Attention Notice.

7. **Recommendation:** The Committee recommended that the requirements of the gas producing provinces should be fulfilled on priority basis in accordance with the Constitutional provisions and ensure that minimum gas loadshedding is carried out there. The Committee was also unanimous in rejecting the proposal of weighted average price of Gas as it would be unjust and unfair to smaller and Gas producing provinces.


(RAFIULLAH)
Secretary Committee


(SENATOR MOHSIN AZIZ)
Chairman Committee

Islamabad, the
11th August, 2020.