

**SENATE OF PAKISTAN**



**REPORT NO. 03 OF 2020**

**REPORT OF THE SENATE STANDING COMMITTEE ON  
PETROLEUM ON "CALLING ATTENTION NOTICE REGARDING  
CRIPPLING SHORTAGE OF GAS IN HARSH WINTER SEASON  
ACROSS THE COUNTRY", MOVED BY SENATORS SHERRY  
REHMAN AND SASSUI PALIJO IN THE HOUSE ON  
10<sup>TH</sup> JANUARY, 2020.**

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

## SENATE SECRETARIAT

### REPORT OF THE STANDING COMMITTEE ON PETROLEUM ON THE CALLING ATTENTION NOTICE REGARDING CRIPPLING SHORTAGE OF GAS IN HARSH WINTER SEASON THE COUNTRY MOVED BY SENATORS SHERRY REHMAN AND SASSUI PALIJO DURING SITTING OF THE SENATE HELD ON 10<sup>TH</sup> JANUARY, 2020.

I, Senator Mohsin Aziz, Chairman Standing Committee on Petroleum have the honor to present on behalf of the Committee, this report on the Calling Attention Notice regarding crippling shortage of gas in harsh winter season across the country moved by Senators Sherry Rehman and Sassui Palijo during sitting of the Senate held on 10<sup>th</sup> January, 2020 and referred by the House 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 Jamal dini           | 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 11<sup>th</sup> February and 6<sup>th</sup> March, 2020. However, the issue was deferred due to absence of the concerned Minister and the Movers. The Committee again took up the issue in its meeting held on 10<sup>th</sup> 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 Jamal dini         | 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. Senator Sassui Palijo informed the Committee that Sindh produces about 2500 MMCFD gas per day whereas its average requirement is 1500 MMCFD. But the SSGCL is providing Sindh only about 1000 MMCFD gas. She stated that Article 158 of the Constitution provides for precedence to the fulfillment of requirements of the gas producing province. She pointed out that Sindh is producing the major share of natural gas in the country but it is not being provided with the facility according to its requirement in violation of the Constitution. She told that the whole of Sindh faces severe gas



loadshedding during winter seasons for the last several years and the Government and Parliamentarians of Sindh have been raising this issue again and again on different forums but it has not been resolved so far. She further stated that Article 172 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 gas shortage/loadshedding in gas producing provinces in accordance with the provision of the Constitution.

5. The Secretary, Department of Energy, Government of Sindh while endorsing the views of Senator Sassui Palijo informed the Committee that the gas being provided to Sindh includes a considerable share of about 560 MMCFD dedicated supply mainly for power producing companies, fertilizer sector and other industries. He stated that the Government of Sindh is of the opinion that this quantity of gas should not be included in the share of the province of Sindh as the produce of these sectors is utilized by the whole country. He was of the view that an agreement on this point will resolve the issue of distribution of gas amongst the provinces.

6. 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 loadshedding in the country and the province of Sindh, 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 opined that one of the possible solutions is to go for weighted average price. 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.

7. 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.

8. **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

Islamabad, the  
11<sup>th</sup> August, 2020.



( SENATOR MOHSIN AZIZ )  
Chairman Committee