

SENATE OF PAKISTAN



REPORT NO. OF 01 OF 2020

REPORT OF THE SENATE STANDING COMMITTEE ON PETROLEUM

ON

"POINT OF PUBLIC IMPORTANCE REGARDING, NON-INSTALLATION OF AIR MIX PLANTS IN BALOCHISTAN RAISED BY SENATOR MUHAMMAD USMAN KHAN KAKAR, DURING THE SITTING OF THE SENATE HELD ON 24TH JANUARY, 2020, REFERRED TO THE STANDING COMMITTEE FOR CONSIDERATION AND REPORT"

PRESENTED BY:-
SENATOR MOHSIN AZIZ
(CHAIRMAN COMMITTEE)

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON PETROLEUM ON THE POINT OF PUBLIC IMPORTANCE REGARDING NON-INSTALLATION OF AIR MIX PLANTS IN BALOCHISTAN RAISED BY SENAOTR MUHAMMAD USMAN KHAN KAKAR.

I, 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 non-installation of Air Mix plants in Balochistan raised by Senator Muhammad Usman Khan Kakar during sitting of the Senate held on 24th 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 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 meeting held on 11th February, 2020 which was attended by the following members:

1.	Senator Mohsin Aziz	Chairman
2.	Senator Shammim Afridi	Member
3.	Senator Mir Muhammad Yousaf Badini	Member
4.	Senator Behramand Khan Tangi	Member
5.	Senator Mir Kabeer Ahmad Muhammad Shahi	Member
6.	Senator Dr. Jehanzeb Jamaldini	Member
7.	Senator Nauman Wazir Khattak	Member
8.	Senator Muhammad Usman Khan Kakar	Mover
9.	Senator Sherry Rehman	Mover

4. Senator Muhammad Usman Khan Kakar informed the Committee that about 27 Air Mix Plants were approved by ECC for the Province of Balochistan out of which 10 Plants had to be installed in the first phase. The SSGCL acquired land for those plants and have issued tenders more than once for installation of the same but no work has been done so far even after a lapse of more than two years. He stated that most parts of Balochistan experiences extremely low temperatures during winters and in the absence of gas, people have to cut the trees for the sake of survival of their families. Senators Dr. Jehanzeb Jamaldini, Mir Kabeer Ahmad Muhammad Shahi, Mir Muhammad Yousaf Badini, Bahramand Khan Tangi and Shammim Afridi also spoke on the issue. They were of the view

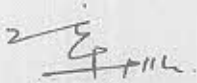


that the people of Balochistan require gas for their survival in harsh winters. They urged the Petroleum Division and SSGCL to take immediate steps in this regard.

5. The Secretary Petroleum Division and MD, SSGCL informed the participants that the tenders were issued thrice for installation of these plants, however, no bidder participated in the bid opening process due to which the process has to be cancelled. They informed that the tenders were issued for the installation of 10 plants together. Now they are considering the proposal to issue tenders for installation of these plants separately. They also informed the Committee that one of the obstacles in the process is higher cost of gas of these plants which will require provision of subsidy of billions of rupees to protect the ordinary consumers. Therefore, it has been decided to place the issue of installation of these plants before the ECC to examine it again in view of the higher cost of gas and to decide about the provision of subsidy to the consumers. They assured that work will be initiated on these plants after the approval by ECC.

6. Senator Muhammad Usman Khan Kakar and other members of the Committee, however, were of the view that the installation of these plants was approved during the tenure of the previous Government despite the fact that their original demand was for supply of natural gas to these areas. But none of the Government or department functionaries ever raised the issue of higher cost and subsidy as is evident from the issuance of tenders. They were, therefore, of the view that by taking this issue to the ECC again would only cause further delay in installation of the plants. The Committee after thorough discussion disposed off the matter and directed that the matter may be placed before the ECC at the earliest with recommendation for special dispensation in the price of gas for consumers in those areas in view of harshness of the winters and poverty/financial position of the people.

7. **Recommendations:** The Committee directed that that the matter of installation of Air Mix Plants in Balochistan may be placed before the ECC at the earliest for setting up and installation of these plants with recommendation for special dispensation in the price of gas for consumers in those areas in view of harshness of the winters and poverty/financial position of the people.



(RAFIULLAH)
Secretary Committee



(SENATOR MOHSIN AZIZ)
Chairman Committee

Islamabad, the
12th February, 2020.