



PRESS RELEASE

Pakistan Textile Council Issues SOS: Energy Levies Threaten Exports, Jobs and Economic Stability

Islamabad, June 26, 2025 – The Pakistan Textile Council (PTC) has issued an urgent call for immediate government intervention to address the alarming rise in energy costs and unresolved fiscal issues that threaten the survival of Pakistan’s export-oriented industries.

In a letter to the Prime Minister, PTC Chairman Mr. Fawad Anwar has highlighted that many exporters, due to non-availability of reliable grid electricity, resorted to captive power generation using furnace oil. He explained that the **recently imposed petroleum levy on Furnace Oil of Rs. 77 per kg** and carbon levy of **Rs. 2.5 per kg**—on top of its base rate of **Rs. 150 per kg**—have escalated the effective cost to **Rs. 230 per kg**, pushing electric fuel generation cost to **Rs. 51 per unit**, up from **Rs. 33 per unit** prior to these levies. This has made captive power generation financially unviable for exporters who have no affordable grid alternative due to infrastructural and regulatory constraints.

Mr. Anwar while sharing a real life case highlighted that a member company applied for a connection to **Karachi Electric (KE)** and **Hyderabad Electric Supply Company (HESCO)**. The two distribution companies quoted an upfront cost of **Rs. 16 billion** and a minimum timeline of **three (03) years**, with no guaranteed completion and the process is mired in bureaucratic hurdles requiring multiple government approvals - an impractical solution for industries already battling energy affordability.

The PTC also underscored unresolved issues such as unpaid **DLTL claims worth Rs. 27.7 billion**, underutilization of the **Export Development Surcharge**, and delayed **FBR refunds**, all of which have worsened exporters' liquidity crisis.

PTC has urged the government to:

1. Withdraw or significantly reduce energy levies on furnace oil and gas for export industries.
2. Clear DLTL claims immediately.
3. Suspend further collection of the Export Development Surcharge until existing funds are transparently utilized.
4. Reform FBR's refund system to ensure prompt disbursements.
5. Expedite energy market reforms, including operationalization of CTBCM, to reduce power costs and provide a predictable policy environment.

“Our industries are not asking for subsidies, only for a fair, competitive environment to sustain exports, jobs, and national economic growth,” emphasized Mr. Anwar.

The Pakistan Textile Council reiterates its commitment to working closely with the government to drive forward a growth-oriented, export-driven policy framework that aligns with national development goals.

For further information, please contact:

Muhammad H. Shafqaat
CEO Pakistan Textile Council
Pakistan Textile Council (PTC)
+92 51 2726971
info@ptc.org.pk