

PRIME MINISTER'S SPEECH
ON THE OCCASION OF
THE INAUGURATION OF 225 MW ORIENT POWER PLANT
AT BALOKI
DISTRICT KASUR : 17TH JULY, 2010

- **GOVERNOR PUNJAB, MR. SALMAN TASEER**
- **CHIEF MINISTER PUNJAB, MIAN SHAHBAZ SHARIF**
- **MINISTER FOR WATER AND POWER, RAJA PERVEZ ASHRAF**
- **CEO, ORIENT POWER, MR. NADEEM BABAR**
- **DISTINGUISHED GUESTS**

Ladies and Gentlemen!

I am pleased to inaugurate 225 MW Combined Cycle Power Plant at Baloki, District Kasur. After Attock Power, Atlas Power, Nishat Power and Korangi Combined Cycle Power Plant it is the fifth IPP which is being launched within a short span of one and half years in our country. It is a matter of complacency that the power generated through this plant will provide the cheapest source of power to the system, that is, at a cost of approximately Rs. 5.5 kilo watt per hour. This project was approved for 400 MW to be implemented in two phases of approximately 200 MW each.

I am pleased to hear that the sponsors are ready to launch the second phase as soon as the gas supply can be confirmed. As you know, we are constrained in supply of gas. It is for this reason that our government has been making earnest efforts to import gas from the neighboring countries which will primarily be dedicated to the power sector.

Ladies and Gentlemen!

While this project provides a much needed 225 MW of capacity addition to the system, it is equally important to us for many other reasons as well. The primary sponsors of this project include the Omani Government, through Oman Oil Company -- and the German Government - through its Development Finance Institution DEG. We cherish our relationship with both the friendly countries - Germany and Oman, and projects like these are a demonstration of our commitment to foster economic ties amongst our respective governments. This

project has also opened the way for local banks to enter the market of financing power projects. Most of the projects implemented in this round have been financed with local bank debt, which in the longer term, is good for our economy because it reduces our foreign exchange burden.

Ladies and Gentlemen!

Let me share with you the vision of the Government of Pakistan which is doubling the power generation capacity of the country within the next ten years by initiating programs and projects that could add a minimum of 20,000 MW by the year 2020. This is in addition to the projects already under implementation.

Focusing on the country's indigenous resources will not only decrease the burden on our balance of payments but will also lower the cost of electricity generation and provide the much needed relief to the people of Pakistan.

This "20,000 MW addition by 2020 program" will comprise 6000 MW on hydro; 6000 MW on coal; 5000 MW on gas, 1000 MW on Naptha and other indigenous fuels and the remainder 2000 MW from alternative energy resources, especially solar and wind. We will ensure maximum efficiency gains in our generation, transmission and distribution systems. Moreover, we will add to our conservation drive through induction of energy savers, solarization of water heating and irrigation pumps. We also intend completing the projects designed to import hydro electricity from Central Asia and other regional countries as part of low – carbon strategies.

Ladies & Gentlemen!

While translating this vision 2020 into reality, let me inform you that after this democratic government took over, we have added a total of 1708 MW of generation capacity through a combination of Hydel and thermal sources which includes rehabilitated capacity of the existing Generation Companies (GENCOs). Additionally another 2795 MW of capacity additions are likely to be completed by December 2010 – and the sum total of these capacity additions comes to an investment which is equal to US\$ 5 billion by the end of this year. Moreover, 17 mega transmission system projects have been completed from early 2008 to June 2010 at a total cost of Rs.18 billion which reflects substantial achievement in comparison to earlier 10 years.

These works have been completed through self-financing and developmental loans made available by donor agencies. Factually, Government of Pakistan's recent energy conservation measures have led to reduction of peak demand of over 1000 MW resulting in mitigation of power crisis during the current summer. When financially translated, this conservation comes to Rs. 40 million of saving each day, besides bringing discipline to load management activity. The Energy Summit held in April 2010 has clipped an evening demand approximately between 1000-1500 MW leading to a saving of Rs. 65 million each day.

Ladies & Gentlemen!

I hope the people of Pakistan would appreciate that the present government reached political consensus for putting in place all conservation measures which have considerably decreased power outages. At this point, I would personally thank the countrywide business community, traders and shopkeepers for supporting government's power conservation action plan by ensuring closure of their business places at specific time agreed between them and the respective Provincial Governments.

Ladies & Gentlemen!

I am satisfied to note that Orient Power Plant shall not only give a boost to PEPCO's power generation output, but shall also be a major source of industrial and economic development of the area.

I understand that soon we shall be able to attain other milestones towards the electric power sufficiency of the country – a goal which is on the high priority list of this government. I take this opportunity to apprise you that it was the PPP government initiative in the nineties that brought forward the private generation through Independent Power Producers (IPPs). Today, after more than a decade, the IPPs have established credibility and have become successful partners to the government in power generation.

Ladies and Gentlemen!

Our Government has taken many short, medium and long – term measures to overcome power shortages – and amongst its medium term proposals to tide over power crisis is to set up Independent Power Plants (IPPs) that certainly would boost national power grid for provision of uninterrupted power supply to all segments of our society. Power ensures progress and prosperity. This is what the present Government of Pakistan People's Party believes in – and would like to add this as a humble contribution for the welfare and wellbeing of the people of Pakistan.

Ladies & Gentlemen!

In conclusion, I welcome the initiative shown by our partners-in-progress from Germany and Oman and look forward to doubling of this plant, as well as other investments by them in Pakistan.

Pakistan Zindabad!
