

# DOING BUSINESS (2018) – PAKISTAN

## Karachi

### Getting Electricity

#### Introduction

1. This preliminary briefing paper considers the current position of the DB topic of Getting Electricity in Pakistan.
2. Specific commentary is made herein only to data relating to Karachi in Sindh province.
3. Pakistan ranks 144 out of 190 countries, as measured by the Doing Business 2017 report with a Distance to Frontier (DTF) of 51.77%<sup>1</sup>.
4. In relation to Getting Electricity, Pakistan is ranked 170/190 in 2017, with a DTF of 39.78.
5. Karachi's DTF is 39.78% - it takes five procedures; 215 days and 1,773.9% of income per capita to acquire an electricity connection.
6. Karachi scores 0.0 on reliability of supply and transparency of tariff index.<sup>2</sup>
7. The reasons for the comparatively low scoring of Pakistan and Karachi on this indicator may be explained by the following factors:
  - a. Extremely high number of outages with lengthy durations.
  - b. Applying for a new connection is physical and inefficient, and takes up to one month.
  - c. Inspection process is slow, and causes maximum delays.
8. The balance of this paper highlights both short-term solutions (to be considered capable of implementation within 100 days) and long-term goals to improve and benefit federal and provincial authorities on Getting Electricity indicator.

#### **Table A - Steps to be considered to improve the DTF scoring within 100 days**

*It is suggested that measures are considered and adopted to allow short-term goals to be introduced within the course of 100 days.*

<b>Indicator/Authority</b>	<b>Suggested measure</b>
Reduce time K-Electric Ltd.	Review and produce a list of current by-laws/regulations governing time limits to obtain connection in Karachi

<sup>1</sup> The Distance to Frontier score captures the gap between an economy's performance and 100 – a measure of best practice.

<sup>2</sup> Doing Business uses the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) to measure the duration and frequency of power outages. SAIDI is the average total duration of outages over the course of a year for each customer served, while SAIFI is the average number of service interruptions experienced by a customer in a year. Both SAIDI and SAIFI estimates include load shedding. An economy is eligible to obtain a score on the reliability of supply and transparency of tariffs index if the utility collects data on electricity outages (measuring the average total duration of outages per customer and the average number of outages per customer) and the SAIDI value is below a threshold of 100 hours and the SAIFI value below a threshold of 100 outages.

Improving efficiency K-Electric Ltd.	Ensure effective implementation of existing timelines as per the NEPRA Standards Rules (2005)
Improving efficiency K-Electric Ltd.	Capacity building of regulators for knowledge performance standards
Improving efficiency K-Electric Ltd.	Conduct a best practice review to introduce new service delivery standards

**Table B - Steps to be considered to improve the DTF scoring within one year**

*It is suggested that measures are considered and adopted to allow long-term goals to be introduced within the course of one year.*

<b>Indicator/Authority</b>	<b>Suggested measure</b>
Reduce time K-Electric Ltd.	Streamline application procedures by allowing for online submission of application, supporting documents and scheduling of inspections
Improve reliability K-Electric Ltd.	To improve reliability of supply, develop and implement technical standards to reduce outages and improve quality of service
Improve reliability K-Electric Ltd.	Implement Supervisory Control and Data Acquisition (SCADA) system or an Incidence Management System (or any elements of these systems) to monitor outages and restore service