

Privatization of Pakistan Gas Sector: Role of Regulator

Authors : Lala Rukh, Muhammad Abbas Choudhary, Saddam Akber Abbasi

Abstract : In Pakistan, the privatization of major sector of the national economy i.e. power, telecom, and gas is very strongly advocated since 80s. With varying degree of progress made in these sectors, it has been the government's approach that the privatization accelerates the sectorial growth, increases operational efficiency and attracts the foreign investment and is of special significance for developing economies. The gas sector was not an exception and the privatization in this sector has moved through various stages during this time within the realms of socio-political agenda. This paper presents the overview of the gas sector in the country. The Oil and Gas Regulatory Authority (OGRA) Ordinance and privatization commission policy position as depicted in the press briefings provides philosophical foundations to the privatization and sectorial restructuring in this paper. The role of the major players from privatization perspective is discussed with special reference to the importance of natural gas sector. The case study further discusses the economic regulations that are being adopted by utility regulators in Pakistan and elsewhere in the world and some issues that the Regulatory Authority will be concerned are outlined. Major operators in the gas sector including Oil & Gas Development Corporation (OGDC), Sui Northern Gas Pipelines Limited (SNGPL), Sui Southern Gas Pipelines Limited (SSGPL) is also presented.

Keywords : privatization, economic regulation, OGDCL, SSGCL, SNGPL

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