

SUBSIDY ON TUBE-WELLS

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The Government of Pakistan announced a subsidy of 33.33% on cost of electric power required for tube-wells and of this one third of the cost would be borne by the provincial governments, one third by WAPDA and one third by the Federal Government. Since WAPDA's share of subsidy will be borne by the Federal Government, it amounts to 22.22% subsidy by the Federal Government. Tube well electric bill amounts to Rs.100,000 to 200,000 annually. It can be assumed as Rs.150,000, with Federal Governments share at Rs.33,333.

The number of tube wells in various provinces are:

1.	Punjab.	600,000
2.	Sindh.	20,000
3.	Baluchistan.	12,000
4.	NWFP.	8,000

The subsidy paid by the Federal Government to the farmers in various provinces will be:

1.	Punjab.	Rs.	20,000,000,000
2.	Sindh.	Rs.	666,000,000
3.	Baluchistan.	Rs.	399,000,000
4.	NWFP.	Rs.	266,000,000
	TOTAL	Rs.	21,333,000,000

Percentage wise distribution of Federal subsidy is as under:

1.	Punjab.	93.75%
2.	Sindh.	3.125%
3.	Baluchistan.	1.875%
4.	NWFP.	1.25%
	TOTAL	100%

The above figures reveal that 93.75% of the subsidy of Federal Government is channel to Punjab.

Subsidy is welcome, but all provinces should subsidise their own farmers.