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TRADE CHRONICLE

PAKISTAN'S OLDEST MONTHLY MAGAZINE OF COMMERCE, TRADE, INDUSTRY & PUBLIC AFFAIRS

Special Report on Cement Industry

Progress and potentials of the cement industry in Pakistan

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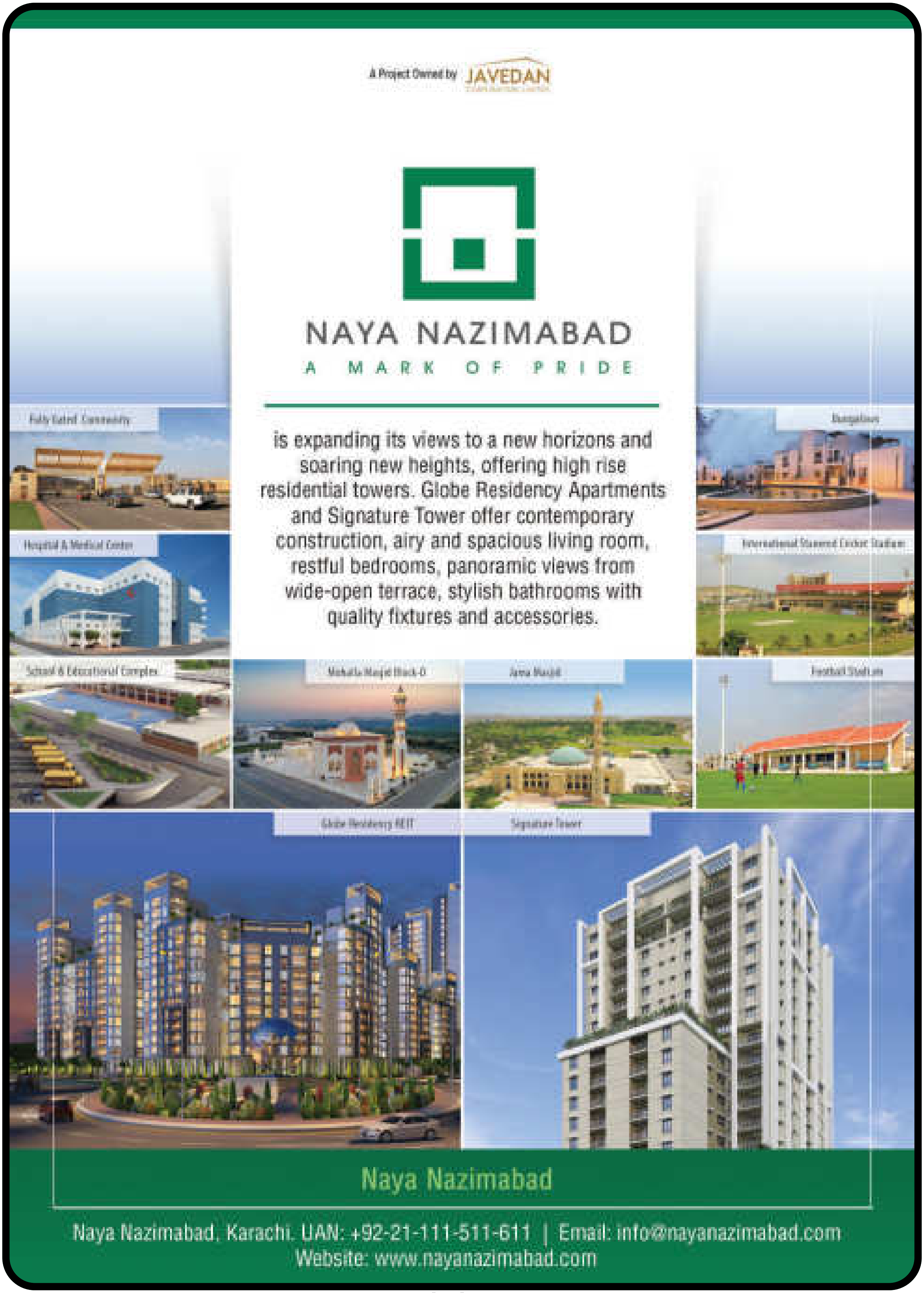
Thatta Cement Company will install another 2.2MW of solar power by year-end

Fecto Cement is in discussion about installing a solar plant

Dandot Cement to complete BMR soon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We begin with the name of Allah the Magnificient

Pak rupee strengthening boosts exports in 5MFY24

From the editor's desk

ABDUL RAB SIDDIQI

Pakistan's exports have shown a slight growth in dollar terms during the first five months (July–November) of the current financial year 2023-24. However, the increase in Pak rupees has been quite significant, reaching 32%. This can be attributed to the appreciation of the Pak rupee and a fall in some raw materials prices required for local industries in international markets. According to the Federal Bureau of Statistics (FBS), the total exports for the period of 5MFY23-24 were $12.17 billion, an increase from $11.94 billion earned in the same period during the last fiscal year. This translates to a growth of 1.93% on a YoY basis. The positive trend in Pak rupees was multifold and ballooned by 31.63% YoY (Rs 35.02bn). In November alone, exports continued their upward trajectory, rising 7.66% YoY to $2.57 billion, marking the third consecutive month of positive growth.

The export trend could be on further elevation had there been no decline in the textile export – the main export engine. The energy issue and slowdown in international markets have been impacting it, and they need to overcome the energy issues they desire. The textile group exports declined by around 6.50 % during this period to $6.883 billion compared to $7.361 billion during 2022-23. The decline is mainly attributed to the recent surge in gas prices, which increased the cost of production and reduced the competitiveness of Pakistani textile products in the international markets. While commenting on the export data, the Caretaker Minister of Commerce, Dr Gohar Ejaz, said that the positive trade figures and upward trend showcased Pakistan's resilience and added that the government will continue enabling exporters to find new export destinations. Pakistan's exports to key destinations, including Indonesia, the United Arab Emirates, Madagascar, and China, increased significantly. A rough estimate based on the last five months' exports suggests the possibility of reaching nearly $29 billion in exports by the end of the fiscal year. Imports are anticipated to be around $52 billion. If Pakistan's exports grow as potential, the country could avoid continuously seeking International Monetary Fund (IMF) bailouts and other external financial support. However, export underperforming is due to limited export infrastructure, political instability, the energy crisis, a high cost of doing business, and a need for more efficient long-term policies and investment, among other things. These causes are interconnected, and the absence of investment in other areas, like industrial plants, leads to a limited export base, and political instability contributes to the need for long-term policies.

A point of concern is that Pakistan's export sector mostly relies on agriculture and textiles, making the country's export sector vulnerable to any external shocks. Therefore, the export sector needs to be broadened for a sustainable economy. To improve the performance of exports, the government needs to reduce business costs, increase productivity, investment and export base, promote political stability, and implement long-term policies. The policymakers should widen the export base by investing in areas beyond agriculture and textiles. We hope the government will accept the demand of the rice exporters by granting them industry status, providing access to various incentives and facilities to help them find new markets, and increasing their export potential from $2.5 billion to $4.5 billion. Similarly, the government should expedite the release of a Drawback on Local Taxes and Levies (DLTL) worth Rs37. 306 billion to exporters to deal with the liquidity issues of leading export sectors. The news about the formal operation of the Export-Import (EXIM) Bank of Pakistan is a good omen for exporters as it will transform the banking and trade finance landscape in the years ahead. As the institution matures, it will shape the institutional framework for investment and trade finance, leading to stronger export performance and balance of payment stability.

Experts hope that EXIM Bank can enhance Pakistani exporters' competitiveness in the international markets by offering lending, credit insurance, and guarantee services. This will create a level playing field for our exporters vis-à-vis their competitors, who already rely on their national EXIM Banks. The Bank can facilitate access to a wider global market through its specialised products, enabling our exporters to diversify their product portfolios and explore new markets. In the next election year, let's see who forms the government and takes positive measures to promote exports amid a slowdown in international demands and rigid challenges on the local domestic front. We are confident that political stability will lead to prosperity in the coming years.

Jinnah's vision and Pakistan's reality

By Sajid Ali Bangash

As we celebrate the birth anniversary of Quaid-i-Azam Mohammad Ali Jinnah today (25th December), it is imperative to reflect on the state of the nation he envisioned and compare it to the Pakistan we live in today. The country that the Quaid had strived to create does not seem to exist in its true essence in the contemporary world.

Jinnah envisioned a Pakistan that would stand as a beacon of peace and moderation, setting an example for the rest of the world. He advocated for a state where people of all faiths and backgrounds could live harmoniously, and where justice and equality prevailed. However, it is disheartening to observe that the current state of affairs in Pakistan does not align with his noble vision.

The Quaid possessed a vision that transcended the boundaries of his time, and continues to serve as a guiding light for the nation. His vision for Pakistan was not merely the creation of a geographical entity, but the establishment of a homeland where justice, equality and prosperity would prevail.

Today, as we reflect on his vision, it becomes evident that his principles remain as relevant and essential as ever. The nation has failed to maintain the ideals of justice, equality and prosperity that Jinnah had envisioned. Political instability, corruption and a lack of effective governance have hindered the establishment of a truly democratic and inclusive society.

The vision of a just and fair society has been marred by social and economic disparities, and the rule of law has often been compromised.

At the core of Quaid's vision was the idea of a democratic and inclusive society. His unwavering commitment to the principles of justice and fairness laid the foundation of a country where the rule of law would reign supreme, ensuring the protection of individual liberties and the promotion of across-the-board social harmony.

Jinnah emphasised the importance of education and knowledge as the

cornerstones of a progressive society. He believed that an educated populace was essential for the development and advancement of the nation.

His vision included the establishment of institutions that would foster intellectual growth and innovation, enabling Pakistan to compete on the global stage.

Pakistan has faced a number of significant challenges with respect to providing quality education to all its citizens. Issues, such as lack of resources, and unequal access to education have hindered the realisation of the founding father's vision of an educated populace driving the nation's progress.

He envisioned a Pakistan where economic opportunities would be abundant, and the fruits of development would be shared by all. However, today, Pakistan's economy is facing significant challenges. The nation has become heavily dependent on financial assistance from international lending organisations and friendly countries, resulting in a substantial burden of debt on the shoulders of its citizens.

Pakistan faces challenges in upholding the principles of tolerance and pluralism, with instances of sectarian violence, discrimination against minorities, and a lack of genuine interfaith harmony tarnishing the vision of a harmonious and inclusive society.

As we deal with the challenges of today's world, the Quaid's ideas still show us the way forward for Pakistan. His belief in democracy, fairness, education, prosperity and getting along with each other is just as important now as it was when Pakistan was created.

As we honour his legacy, it is imperative that we remain steadfast in our pursuit of his vision, ensuring that Pakistan emerges as a beacon of hope and progress for generations to come.

It is critically important for us to rekindle the spirit of the Quaid's vision and work towards realising Pakistan he had dreamt of.

We must strive to build a society where every individual is treated with dignity and respect, regardless of one's social or economic background.

It is incumbent upon us, all of us, to uphold the principles of justice, equality and tolerance that were dear to our beloved Quaid.

Let us use this occasion to reflect on our national path and recommit ourselves to the ideals that Jinnah had stood for. Let us remember that it is only by embracing the man's vision of a peaceful and moderate Pakistan that we can truly honour his legacy, and pave the way for a brighter future for our nation.

Courtesy - DAWN

A letter to editor

ABDUL RAB SIDDIQI

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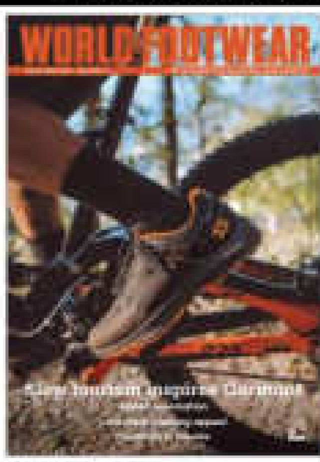

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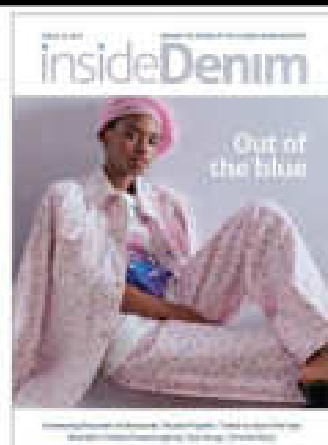

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Market dynamics of the battery industry in Pakistan

By Dr. Muhammad Nawaz Iqbal

The battery market in Pakistan is expected to grow at a compound annual growth rate (CAGR) of more than 3.5% over the next five years, from an estimated USD 21.2 million at year's end to USD 25.17 million. According to the documents, lithium is essential in producing batteries for renewable energy storage systems and electric vehicles (EVs). The demand for lithium has increased significantly due to the world's transition to sustainable energy and transportation electrification.

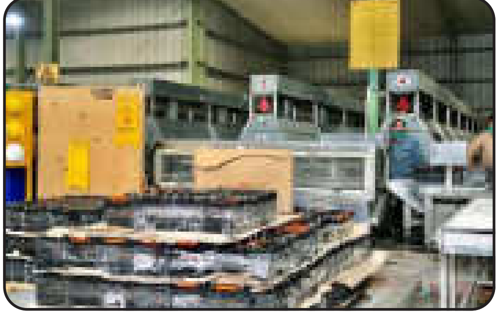
Pakistan's battery industry is essential to several industries, including renewable energy, automobiles, and telecommunications. Batteries are crucial parts that run a lot of electronics, including backup power systems and cars. Pakistan's battery industry is made up of both domestic and foreign companies.

Both domestically and internationally, large corporations are actively involved in producing and supplying batteries to fulfil a wide range of consumer demands. Due to the rising demand for automobiles nationwide, automotive batteries account for a sizeable percentage of the sector. Pakistan's economy is growing, and people have more money to spend, driving up battery demand as the automobile industry grows.

Batteries are crucial to the telecommunications industry's ability to maintain a steady power supply for equipment such as cell towers. In this industry, there is a constant need for dependable batteries due to the growing use of mobile phones and the development of the telecom network.

In Pakistan, the use of renewable energy sources has become more and more important in recent years. Batteries are essential for storing energy produced by renewable energy sources like solar and wind to create a more sustainable energy ecology. Pakistan's battery business must contend with issues like competition, technological breakthroughs, and price swings for raw materials. Meanwhile, these difficulties also offer market expansion, cost-cutting, and innovation opportunities. The Pakistani government has vigorously promoted the usage of electric cars and renewable energy. Several policies and incentives are in place to encourage scientific breakthroughs and investment in the battery industry. Globally, environmental sustainability is becoming increasingly important, which is also true in the battery business. To reduce the negative effects of battery manufacture and disposal on the environment, efforts are being undertaken to develop environmentally friendly battery technologies and recycling procedures.

Pakistan's battery technology is evolving due to ongoing research and development. These initiatives aim to extend battery life, increase energy density, and improve battery efficiency and economy. During the projected period, the Pakistan battery market is expected to be driven by factors such as the country's expanding automotive sector and the low cost of lead and lithium.



In addition, there has been a notable surge in the sales of automobiles, namely in the two- and four-wheeler categories, encompassing electric vehicles. This increased demand for lithium-ion and SLI batteries is anticipated to drive the Pakistani battery industry. Pakistan's market for lithium-ion batteries is still in its infancy. China is the primary supplier of Li-ion batteries to the nation. The country's Li-ion battery market is anticipated to be primarily driven by rising solar PV installations and an increased need for backup power solutions.

Owing to the small number of businesses involved in the sector, the battery market in Pakistan is somewhat fragmented. The intricacy of battery technology is one of the main contributing elements to this state of affairs. The battery sector requires significant R&D, production, and quality assurance expenditures. Businesses require substantial financial resources to establish manufacturing facilities, conduct R&D, and uphold strict quality standards. There are fewer competitors in the market due to this high entry barrier.

These developments lead to a significant and long-lasting drop in cost, which is anticipated to further solidify lithium-ion as the preferred battery chemistry across all energy storage industries, including micro-grids in Pakistan, behind-the-meter storage, grid-scale applications, and household storage. Pakistan's battery business has a bright future because of the country's growing economy and growing consciousness of environmental practices. Sufficient government policies and ongoing technological investments are anticipated to stimulate innovation and advance the sector in addressing the nation's changing energy requirements.

Global technological developments impact the battery sector, and staying ahead of these trends demands ongoing innovation and adaptation. Businesses that can keep up with the most recent developments in battery technology will have an advantage over their competitors in market share, as a small number of highly developed companies will own a larger market share.

Conversion towards Islamic finance

By Ahmed Ali Siddiqui and Samia Tahir Jawad

The Federal Shariat Court ruling in April 2022 to eliminate interest from the economy by December 2027 marked a pivotal moment in Pakistan`s financial landscape. The judgment declared an unequivocal prohibition of Riba (including banking interest) in all its manifestations and forms, setting a target to transform the nation into an interest-free economy by the end of 2027. This historic decision necessitates amendments to align all laws and regulations with the essence of this judgment.

The Federal Shariat Court (FSC) has further ruled that upcoming financial dealings involving Pakistan, be it financing or contracts with international financial bodies, should also adhere to Shariah-compliant financial methods, such as the issuance of Sukuk. This signifies a significant shift towards embracing Islamic finance principles in the country`s financial engagements. In Pakistan, according to the State Bank of Pakistan (SBP), the Islamic banking industry assets have crossed the benchmark of Rs8.1 trillion by June 2023 (approximately $29bn), while the overall Islamic finance industry is reaching close to the Rs10tr mark by adding the market share for the Islamic mutual funds, Sukuk, Modaraba, Islamic Real Estate Investment Trusts and Takaful sectors.

According to SBP statistics, at the start of 2002, the Islamic banking industry assets were Rs 5.5tr while deposits were Rs4.2tr with over 5,350 branches. The FSC judgment has provided a positive growth impetus to the industry that grew by over Rs2.5tr in asset size and over Rs1.6tr in terms of deposits in just 18 months, reaching Rs8.1tr in total assets and deposits of over Rs5.8tr. The Islamic banking branch network also expanded by 970 branches in just 18 months to make the overall network of Islamic banking branches close to 6,400. The positive growth is likely to continue, with more big banks now eyeing conversion to Islamic banking. The growth numbers not only reflect the strength of the value proposition offered by Islamic banking and finance but also reflect the strong grassroots demand for Shariahcompliant financial services and wider acceptance of the conversion roadmap provided by the Shariat Court. The Securities and Exchange Commission of Pakistan (SECP) has also taken the front seat and is taking steps to convert the non-banking financial sector to Islamic principles. Post FSC judgment, the commission issued the Islamic Finance Diagnostic Report early at the start of 2023 and recently issued Guidelines for Offering Islamic Financial Service 2023, while the Islamic Finance department at SECP is working on several initiatives for conversion.

The Ministry of Finance is also actively working with State-Owned Entities (SOEs) towards formulating conversion strategies to transform their existing financial dealings into the realm of Islamic Finance. This transformative drive reflects a significant commitment to fostering Islamic Finance within the public sector, reshaping the financial landscape in Pakistan. The central bank has also provided detailed guidelines and regulatory standards to facilitate conventional banks` desire to convert their operations as per Shariah principles. The SBP has also played a pivotal role in notonly guiding but also facilitating the smooth transition of financial institutions into the Islamic finance realm. An exemplary case in point is the remarkable conversion of Faysal Bank Limited to a complete Islamic bank by Dec 2022. This transformation is an unprecedented milestone in Pakistan`s banking history, where a large conventional institution embraced Shariahcompliant principles.

Recently, Summit Bank has announced a conversion to an Islamic bank, and according to news sources, a few other banks, including The Bank of Punjab, ZTBL, and a foreign bank operating in Pakistan, are also considering a complete shift towards becoming Islamic banks. The FSC judgment effectively underscores various Sukuk types that the government can utilise in international capital markets to convert existing foreign currency debt and secure new international financing. This guidance is invaluable in facilitating these financial transactions. The government has predominantly leaned on bank credit to meet its budgetary requirements, with investments in government securities comprising approximately 48 per cent ofthe banking sector`s asset base as of the end of December 2022. A significant portion of these investments primarily involves conventional Market Treasury Bills and Pakistan Investment Bonds, which make up 87.3pc of the banks` overall holdings in government securities, while Sukuk constitute a relatively smaller share at 12.7pc.

After the FSC judgment, the Pakistani government increased its focus on issuing Shariah-compliant Sukuk to replace its interest-based borrowing. In FY22, the government introduced a remarkable 23 Sukuks and successfully raised Rs1.34tr. Fast forward to 2023, in the last nine months, 24 new Sukuk were issued worth Rs1.07tr, taking the total sovereign Sukuk issuance to Rs5.051tr. The impact of the FSC judgment and increased acceptance of Islamic finance can be witnessed at the Pakistan Stock Exchange (PSX), which now hosts two Islamic indices, namely the KMI-30 index and KMI-All Share Islamic Index to screen the listed companies in line with Shariah guidelines for investments in equities.

The market capitalisation of Shariahcompliant equities has reached 65pc of the overall market cap by June 2023, showing a positive shift in the corporate sector and increased acceptability of Islamic financial solutions. According to the SECP, the Islamic mutual fund industry is also witnessing robust growth. It has achieved an impressive 45pc market share, while the Shariah-compliant pension funds, targeting retail investors, command a majority market share of 65pc with assets under management of over Rs32 billion by June 30, 2023. In conclusion, Pakistan`s embrace of Islamic finance and its journey towards an interest-free economy, driven by the FSC`s historic ruling, is not only reshaping the nation`s financial landscape but also holds great promise for the future.

Courtesy - DAWN

CEMENT INDUSTRY

Progress and potentials of the cement industry in Pakistan

By Dr. Muhammad Nawaz Iqbal

Pakistan's cement sector is full of promise for growth and has made great strides in recent years. The industry significantly impacts the nation's economic growth, creating jobs, improving infrastructure, and fostering general prosperity. First, rising urbanization and a growing population have created a strong demand for building materials, which has fueled the growth of Pakistan's cement sector. This demand has been mostly driven by the government's emphasis on infrastructure development, which includes initiatives like housing, roads, and dams. Because of this, cement producers have seen a consistent rise in sales and production, which has improved the performance of the sector as a whole.

Furthermore, technological improvements have been crucial in raising the productivity and efficiency of the cement sector. Cement quality has increased along with its cost-effectiveness due to sustainable practices, automation, and advanced manufacturing techniques. Due to this, Pakistani cement is now more competitively positioned worldwide, drawing interest and investment from other countries.

Apart from advancements, Pakistan's cement sector still has much potential. The nation's advantageous position, a wealth of unprocessed resources, and highly qualified labour force foster an atmosphere favourable for continued growth. The sector may take advantage of export prospects with the correct investments and policies, enhancing Pakistan's standing in the international marketplace. Difficulties such as energy shortages, environmental issues, and regulatory obstacles remain. To maintain long-term profitability, the industry must concentrate on sustainable practices, alternative energy sources, and ecological standard compliance. Pakistan's cement industry has advanced significantly thanks to government incentives, strong demand, and technological developments. If obstacles are successfully overcome, the industry has enormous potential for expansion. The Pakistani cement industry has the potential to make a substantial contribution to the nation's economic development by implementing a strategic strategy that incorporates sustainable practices and integration with global markets.

A few sustainable practices need to be focused on for the stability of Pakistan's cement industry. Invest in energy-efficient technologies to lower the total energy usage of the sector. Use sustainable energy sources like biomass, wind, and solar to reduce your need for conventional fossil fuels. Install waste heat recovery systems to collect and use the surplus heat produced during cement manufacturing. This lowers greenhouse gas emissions while also increasing energy efficiency. Investigate and use alternative raw materials to conventional raw materials, such as waste materials or industrial byproducts. This lessens the impact of mining and extraction on the environment and aids in conserving natural resources. Invest in carbon capture devices to absorb and store carbon dioxide emissions produced during cement-making. This can help the worldwide effort to address climate change and dramatically lower the industry's carbon impact. Reduce water use in manufacturing operations by implementing water conservation techniques. Reduce the industry's influence on nearby water resources by using effective water management techniques and investing in recycling and reuse technologies. Encourage green building certification requirements to promote the use of ecologically friendly cement in construction projects. This might establish the sector as an eco-friendly option and generate demand for sustainable cement.

Put policies in place to safeguard and maintain biodiversity near cement-producing facilities. This covers initiatives for habitat preservation, replanting, and wise land use. Interact with stakeholders and local communities to resolve issues, advance openness, and guarantee that the sector is socially responsible. To improve community relations, give to regional healthcare, education, and development initiatives. Recycle and reuse waste resources within the industry to adopt a circular economy. Look into strategies to reduce the total environmental impact of the waste produced during cement production. Respect and surpass the environmental guidelines and requirements established by national, regional, and global authorities. Invest proactively in methods and technologies that assist the industry in staying ahead of changing environmental regulations. The expansion of infrastructure is directly related to the need for cement. The construction of housing schemes, roads, bridges, dams, and other large-scale projects greatly contributes to the cement industry's expansion. The development of infrastructure by the government is essential to maintaining the demand for cement.

Pakistan is experiencing a surge in construction activities encompassing residential, commercial, and industrial developments due to the country's increasing population and continuous urbanization. One of the main factors contributing to the industry's growth is the recent spike in demand for building supplies, especially cement. Government programs, incentives, and regulations that support the building industry directly impact the cement business.

Pakistan to strategise industrial policy, encompassing the cement industry

The Pakistan Caretaker government has formed a 19-member Industrial Advisory Council to develop industrial policies, including the cement industry.

The council comprises members from different industries, such as cement, fertiliser, pharmaceutical, steel, textile, packaging, electronics, etc. The council is chaired by the Federal Minister of Industry and Production, Gohar Ejaz, and includes twelve private members and six members from the public sector.

Its goal is to advise the government on ways to enhance industrial production and proactively address industrialisation-related issues. The council will submit its report before the general election in February 2024.

The Ministry of Industries and Production has notified the forming of the Industrial Advisory Council.

1. Muhammad Ali Tabba, the Chief Executive of Lucky Cement Limited.

2. Fawad Ahmed Mukhtar, Director of Fatima Group (Fatima Fertilizer)

3. Raza Mansha, Chief Executive Officer & Executive Director at D.G. Khan Cement Co. Ltd’

4. Aamir Fayyaz Sheikh, Chief Executive Officer & Executive Director, Kohinoor Mills Ltd.

5. Waqar Ahmed Malik, CEO at Fauji Foundation, Chairman of Fauji Fertilizer, Askari Bank, Mari Petroleum, Fauji Cement, Pakistan Oxygen and 15 other companies

6. Abdul Samad Dawood, Vice Chair of the Board of Dawood Hercules Corporation, an investment company of the Dawood Group. Before this, he served as the Vice Chair of the Board of Engro Corporation (subsidiary, Engro Fertilizer), which remains one of Dawood Hercules Corporation’s largest investments.

7. Shehbaz Yasin Malik, CEO of a large pharmaceutical company in Karachi.

8. Shahzad Asghar Ali, CEO of Style Textile, based in Pakistan.

9. Syed Haider Ali, Chief Executive and Managing Director, Packages Ltd

10. Farooq Naseem, Chairman & CEO - DWP Group

11. Ahsan Bashir, Director of Suraj Cotton Mills Limited

12. Sameer Chinoy, CEO of International Steels Limited

The council members include all the provincial chief secretaries, including the chief secretaries of Azad Kashmir and Gilgit-Baltistan. The finance secretary, commerce secretary, industry and production secretary and chairman of FBR have also been included in the council.

The industries and production joint secretary would perform duties as the council secretary. According to the notification, the council would meet weekly and submit a report in 10 weeks. The Ministry of Industries and Production will provide secretariat support for the council.

Meanwhile, businessmen lauded the government for setting up the Industrial Advisory Council and assured the full cooperation of the business community. The business community is pinning high hopes on them. The business leader said that the industry is a struggling sector in Pakistan that needs the attention of policymakers as it can resolve the issue of employment, borrowing and forex earnings.

Gharibwal Cement vows to continue the BMR project

Gharibwal Cement Limited in Pakistan has arranged a corporate briefing session on the Financial Year 2023 & 1st Quarter of September 2023 on 24. To recall, the company posted a profit after tax of PKR1.232bn in FY23 vis-à-vis PKR1.355bn in FY22.

BMR Projects – existing line

Top officials outline the company's Balancing, Modernization and Replacement (BMR).

• Solar plant 10MW: under negotiation with various vendors. A letter of credit (LC) facility is in hand. Completion by end of FY24.

• Cooler retrofit: replacement of existing cooler with advanced cooler from FLSmidth. LC opened. Completion by 1st quarter of FY25. It will increase the capacity of the plant and also reduce fuel consumption.

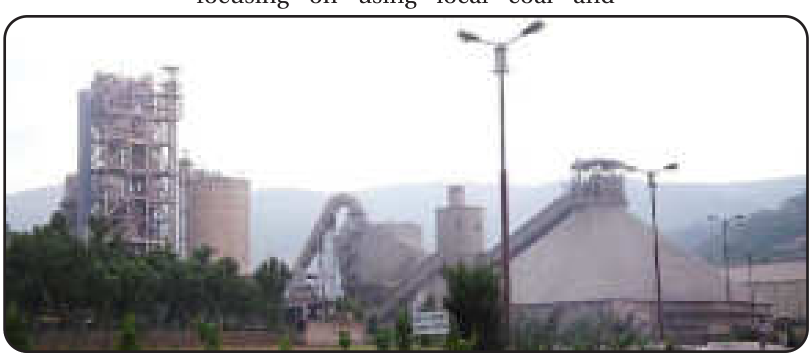
• Multi fuel based power plant 10MW: Turbine purchased. A technical study for various boiler options is underway, focusing on using local coal and alternative fuels.

New production Line 10,000 tpd

• Shipments from FLSmidth have arrived.

• Civil work is in progress with a slow and steady approach.

• Selection of equipment in the scope of the company is in progress.



• The project will speed up when the markup rate is reasonable, and the national economic environment is settled down.

GharibWal Cement Limited cement plant in Jehlum, Punjab, has a production capacity of 2.110Mta.

FCCL becomes the third-largest producer in Pakistan

Pakistan's Fauji Cement Co Ltd (FCCL) has successfully commissioned its new 2.1Mta greenfield cement plant in Shadan Lund, Dera Ghazi Khan. The new facility has boosted the company's total cement production capacity to 10.6Mta, making it the third-largest cement producer in the company. According to the company, the project, which features state-of-the-art equipment, including emissions control and a waste heat recovery plant, was completed in a record time of 13 months.

FCCL also initiated major corporate social responsibility (CSR) projects well before the commissioning of the plant, including providing clean drinking water, healthcare and solar systems to deprived communities with no electricity and supporting school-going children.

Topline Pakistan Research adds that after the expansion, Fauji Cement has become the second-largest player in north Pakistan.

Maple Leaf Cement to set up a solar plant and hospital in the country

Pakistan cement production capacity will likely expand by 3Mt when Fauji Cement (FCCL) and Attock Cement (ACPL) come online amid a capacity utilisation level, which may hover around 57 per cent in FY24. However, on a positive note, local cement demand will grow 3-5 per cent in FY24. This was forecast by Maple Leaf Cement (MLCF) when Topline Securities hosted a Corporate Briefing Session (CBS) on Nov 17, where senior management discussed the company's recent financial performance and future outlook.

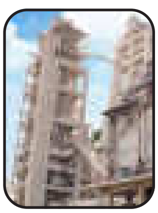
The company is to put up a solar plant of 7.5MW capacity at a cost in the range of PKR800-900m.

The company is a market leader in the white cement segment with a market share of 90 per cent. White cement contributes 10 per cent to the company's top line, whereas it contributes around 20 per cent to the bottom line.

The White cement plant is designed to run on petcock, which is 20-25 per cent cheaper than coal. The company has petcock inventory for around 6-8 months at a rate of US$110/t. Another advantage is that MLCF has only one site to directly link with the railway, which results in 20-30 per cent savings compared to trucks.

The company plans to venture into the Hospital business, which would be high-end and equipped with the latest machinery. Management believes the margin on this project to be higher than cement. However, it would take time. The investment outlay for this project would be PKR30bn with a timeline of three years.

Power Cement exported cement to the UK



Power Cement, a leading name in the cement industry, marks a significant milestone as it successfully enters the European market by exporting its high-quality cement to the United Kingdom. This momentous move demonstrates Power Cement's commitment to global expansion and positions the company as a formidable force in the international construction materials arena and, notably, as the first Pakistani cement exporter to enter the UK market. Power Cement's inaugural European shipment strategically diversifies its global footprint.

Mr. Saifuddin A. Khan, Director of Export Marketing at Power Cement, expressed enthusiasm about this achievement, stating, "Entering the European market and exporting our cement to the UK is a testament to the high standards and excellence that Power Cement upholds, Power Cement can customise the packaging as per the requirements of the buyer, and we are excited about the opportunities this presents. We look forward to becoming a trusted partner in the UK's construction sector and contributing to Pakistan's economic progress through foreign exchange earnings."

Pakistan's cement industry utilization level may hover at 57 per cent in FY24

Pakistan's cement dispatch data (local and export-inclusive clinker) for the first five months (Jul – November) of the current financial year 2023-34 indicates that the industry will sell roughly 47Mt during the fiscal year. If all goes well, this translates into a capcity utilization level of about 57 per cent.

According to the research cell of local media, this is low compared to last year. Still, it would be substantially lower than in previous years when utilization reached maximum levels, pushing cement manufacturers to invest in capacity expansions. Low utilization typically leads to price competition, but cement manufacturers have not relented to such pressures and maintained, rather raised, their price levels whenever possible.

In agreement, which is an industry norm. Most recently, last week, cement prices were on average raised by PKR33 per bag and, for some markets, up by PKR60-80 due to the implementation of the axle load regime on Pakistan's motorways and highways, which was pushing transport costs up—having surged by roughly 40 per cent.

Recalled here that propelled uncharacteristically by vibrant exports, total cement sales for the country's cement manufacturers combined grew 11 per cent overall in 5MFY24, despite only a nominal growth of 2 per cent in domestic offtake. Whilst exports have benefitted from low coal prices and rupee depreciation that made them more competitive in markets overseas, domestic cement sales have been less than vivid.

Pioneer Cement is yet to select a green or brown option for expansion in the Punjab

Topline Securities hosted a Corporate Briefing Session (CBS) for Pioneer Cement Company Limited (PIOC) on 24 November, where the group chairman, M. Habibullah Khan (of PIOC), shared the company's future outlook.

The company's management highlighted that PIOC had acquired a site at DG Khan for a green field project in southwestern Pakistan. However, preference would be given to put up additional lines at the current location. Furthermore, they highlight that setting up a new line would require around 15 months.

Elaborating on expansion plans, management indicated that expanding 2.5Mt capacity, including a captive power plant for the brownfield, would cost PKR70bn and green field expansion would cost PKR90-95bn. Expansion would be viable if industry demand grows at 5-6 per cent annually.

The price war between industries Management expects no price war after the commencement of the Fauji Cement plant (FCCL) at DG Khan, as most players have debt on their balance sheets. PIOC has increased its cement manufacturing price by 6.4 per cent, from PKR1,175 per bag to PKR1,250 per bag. This adjustment is attributed to passing on the impact of axle load. Retention price after a recent hike in cement price now stands at PKR15,250t.

Significant data

PIOC's market share has reduced to 9.7 per cent in FY23 from 9.1 per cent in FY22, no reason cited. PIOC's focus is on improving retention prices rather than volumes. PIOC's coal mix is 71 per cent local coal, and the rest, 29 per cent, is Afghan coal. PIOC's power reliance on the costly grid is only about

4-6 per cent, and the rest of the power requirements are met by in-house power generation.

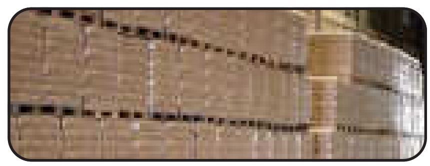
Pakistan has the lowest cement consumption at 143 kg per capita, compared to 250 kg per capita in India and 301 kg per capita in Thailand. Considering Pakistan's population growth rate, cement demand is expected to grow at 5-6 per cent in the long term. To recall, the company reported earnings of PKR933m, up by 60 per cent YoY in 1QFY24. Due to improved retention and low coal prices, the company's gross margins improved to 30.4 per cent in 1QFY24 from 22.9 per cent in 1QFY23. At Khushab in Punjab, Pioneer Cement Limited has a production capacity of 5.454Mt.

Rupees appreciation continues to propel cement exports from Pakistan

Pakistan's cement industry has registered substantial growth in dispatches of cement and clinker exports in terms of value and quantity during the first five months (July-November 2023) of FY23-24 due to the continued depreciation of the Pakistani rupee against foreign currency and the falling coal prices.

Pakistan's cement and clinker exports increased by around 48.3 per cent in the 5MFY23-24 to US$114 (2.93Mt), compared to US$76.87m (1.54Mt) in the 5MFY22-23, the Pakistan Bureau of Statistics (PBS) said. In terms of volumes, exports increased by 89.4 per cent YoY in the same period. The export revenue, in Pakistani rupee terms, saw a significant growth of 90.4 per cent to PKR32.86bn (US$116.9m) during this export period, sustained by the depreciation of the local currency against the US dollar.

The data on exports and imports released by PBS revealed that MoM, cement and clinker exports registered a 20.8 per cent decline in terms of value in November 2023 to US$20.91m (525,281t) from US$26.4m (731,380t) in October 2023. But the dispatch volumes, the MoM, saw an increase of 28.2 per cent. The YoY cement export data depicts a healthy picture increasing by 97.1 per cent in value and 135.1 per cent in volume, if compared



to data from November 2022 (US$10.60 at 223,387t).

Outlook

According to Spectrum Securities, demand in cement sales is expected to increase by five per cent in FY23-24, which aligns with industry players' expectations supported by anticipation of a decline in interest rates and lower coal prices. However, inflated construction costs, political uncertainty, and volatility in energy prices can pose risks to the industry.

Kohat Cement optimistically sees a 5-6% growth rate in FY24

Kohat Cement Company (KOHC), a cement producer based in Pakistan, shared some positive news during its corporate briefing session recently. The Company's top management believes local cement demand will increase by 5-6 per cent on average in FY24 (July-June). The session discussed the Company's FY23 and 1QFY24 financial results and its future outlook. Projects The Company has a solar plant of 10MW, and the board of directors have approved adding a solar plant having a capacity of 15MW.

The Balancing, Modernization and Replacement (BMR) on line III is in process and likely to go under the testing phase in the current or next month. This will reduce the coal consumption by 10-12 per cent, the Company estimated.

The Company has acquired land in Khushab for the Greenfield cement project, and other infrastructure-related work is underway. The cost of expansion would be around PKR40bn. Due to prevailing economic conditions, the Company has yet to open a Letter of Credit.

The power mix of KOHC was 69 per cent grid and 31 per cent captive generation in FY23.

Lucky Cement completes the biggest of its kind buyback of shares

Lucky Cement informed the Pakistan Stock Exchange (PSX) recently that the company wants to announce the closure of the purchase period about the buyback of shares by the company, as approved by the members of Lucky Cement Limited (the "Company") in the Extraordinary General Meeting held on May 24, 2023. During the purchase period, the company purchased an aggregate of 20,375,000 (Twenty Million Three Hundred and Seventy-Five Thousand) ordinary shares of the company (Purchased Shares), representing approximately 6.50 per cent of the issued and paid-up capital of the company.

According to data compiled by Arif Habib Ltd, the cement maker`s average purchase price was PKR632.60 per share for 20.375m shares it bought between June 2 and Nov 20. As a result, the share buyback cost the company PKR12.9bn, making it the biggest exercise conducted on the PSX.

The company completed its first buyback round of 10m shares in March at a total cost of PKR4.35bn. The stated purpose of the buyback exercise is to cancel the shares after acquiring them using the company`s distributable profits.

The Axle load factor contracted 2.12% in cement dispatches during Nov 2023 in Pakistan

Pakistan's cement industry registered a contract of 2.12 per cent in dispatches during Nov 2023, when total cement dispatches arrived at 3.924Mt against 4.009Mt during the same month of last fiscal year.

According to a breakdown released by the All Pakistan Cement Manufacturers Association (APCMA), local cement dispatches during this month were 3.262Mt compared to 3.862Mt in November 2022, showing a decline of 15.53 per cent. Exports dispatch, however, increased by a massive 348.29 per cent as the quantity increased from 147,757t in November 2022 to 662,374t in November 2023.

Industry experts believe cement dispatches in the local market declined due to axle load and offseason factors, which have hampered cement transportation but reduced coal prices and the devaluation of the rupee against the dollar, making exports more viable.

In November 2023, North-based cement mills dispatched 2.867Mt of cement, showing a decline of 12.24% against 3.267Mt of dispatches in November 2022. South-based mills shipped 1.057mt of cement during November 2023, 42.44 per cent more than the dispatches of 0.742Mt in November 2022.

North-based cement mills dispatched 2.723Mt of cement in domestic markets in November 2023, showing a 13.91 per cent decline against 3.163Mt of dispatches in November 2022. South-based mills sent 538,668t of cement to local markets during November 2023, 22.85 per cent less than the dispatches of 698,225t during November 2022.

Exports from North-based mills increased by 38.64 per cent as the quantities rose from 103,824t in November 2022 to 143,942t in November 2023. Exports from the South also massively increased by 1080 per cent to 518,432t in November 2023 from 43,933t during the same month last year.

Aggregate dispatches

In the 5MFY24, total cement dispatches (domestic and exports) were 19.816Mt, which is 10.81 per cent higher than the 17.883Mt dispatched during the corresponding period of the last fiscal year.

Domestic dispatches during this period were 16.688Mt compared to 16.354Mts during the same period last year, showing an increase of 2.04%. Export dispatches were also 104.60 per cent more as the volumes increased to 3.129Mt during the first five months of the current fiscal year compared to 1.529Mt of exports during the last fiscal year.

North-based Mills dispatched 13.836Mt of cement domestically during the 5MFY24, showing an increase of 2 per cent to cement dispatches of 13.566Mt during July-November 2022. Exports from the North increased by 32.76 per cent to 695,206t during July-November 2023 compared with 523,647t exported during the same period last year. Total dispatches by North-based Mills increased by 3.14 per cent to 14.532Mt during the 5MFY24 from 14.089Mt in the previous financial year.

Domestic dispatches by South-based Mills during July-November 2023 were 2.851M, showing an increase of 2.26 per cent over 2.788Mt of cement dispatched last fiscal year. Exports from the South increased by 142.01% to 2.433Mt during July-November 2023 compared with 1.006Mt exported the previous year. Total dispatches by South-based Mills increased by 39.30 per cent to 5.284Mt during the 5MFY24 from 3.794Mt during the last financial year.

APCMA recommendation to Islamabad.

An APCMA spokesman mentioned that some sources had implemented the axle load regime since 1st Nov. 2023 without any consultation with stakeholders. Massively increasing freight charges on cement, coal, and other raw materials will increase. It will add unnecessary pressure on our inflation, which can increase by double digits.

We want to suggest to the government that axle load be implemented in a phased manner over the next two to three years. We also foresee a major shortage of trucks, which will disturb the market supply. Exports will also be affected by this axle load regime, he added.

D.G. Khan Cement explores Mexico to export cement from Pakistan

According to AKD Research, D.G. Khan Cement Company Limited (DGKCC) held its corporate briefing on 24 November to apprise investors of their FY23 financial results and the company's future outlook. DGKC recently exported two shipments to Mexico and four shipments to the USA. Management is actively focusing on exports to increase capacity utilisation. They expect higher clinker exports this year, but the impact wouldn't be significant as clinker exports have minimal margins. However, margins on cement exports are comparable to local margins, as per management.

Clinker export prices stand at US$30-31t, and cement export prices stand at US$45t; due to bulk shipments, export price to the USA is over US$50t (Retention price: US$43-44t; bag cost ~US$10t). The continuity of the company's supplies to the USA is anticipated to improve gross margins.

Along with the USA, the company has exported to Mexico and is trying to export more in that region. However, export to South Africa has become unviable after imposing an 80 per cent anti-dumping duty on most Southern cement players (except LUCK, only a 30 per cent duty). Besides, export to Afghanistan is minimal, mostly exported by players near its border.

Thatta Cement Company will install another 2.2MW of solar power by year-end

According to a report of AHL Research, the management of Thatta Cement Company Limited (THCCL) held a corporate briefing session on 24th Nov'23 to discuss the FY23 financial result and future outlook. Recalled here that the company posted consolidated earnings of PKR 310m in FY23 vis-à-vis 86m in the same period last year, an increase of 258%YoY. The company also announced shares buyback of up to 15m, about ~15 per cent of the paid-up capital. Thatta Power (Private) Limited (TPPL), a subsidiary of THCCL, has a gross generation capacity of 27.1MW, consisting of 23.1MW of gas and 4MW of WHRP. TPPL supplies electricity to the holding company. The company currently fulfils 30 per cent of its energy needs through WHRP and solar power. By dec'23, the company will install another 2.2MW of solar power, taking full solar capacity to 3.5MW. This will save 20-25 per cent of its energy cost.

The management is considering expansion in the future, although a timeline has yet to be provided. The company utilizes 100 per cent of local coal in its fuel mix. In FY23, the weighted average cost of coal was PKR 19,000t, which came down to PKR 15,000t in 1QFY24.

Fecto Cement is in discussion about installing a solar plant

According to AHL Research, Fecto Cement Limited (FECTC) management held a corporate briefing session on 24th Nov'23 to discuss the FY23 and 1QFY24 financial results and future outlook. To recall, the company posted a loss after tax of PKR 133m in FY23 vis-à-vis a profit of 287m in FY22. Due to the implementation of the axle load factor, the manufacturing price in the north is trading at PKR 1200-1250/bag.

As per management, local coal is anticipated to surge by PKR 1500t. The company's coal mix is 50% Afghan and 50% local. The ongoing mining issues persist, forcing the company to outsource its raw materials. Also, due to this, the company does not want to expand on its existing location. The management is in discussion of installing additional solar plants to

become cost-efficient. The company in FY23 generated about 42 per cent of its power through its generation, and the rest was taken from the Water & Power Development Authority. In 1QFY24, captive generation rose by 44 per cent.

Dandot Cement to complete BMR soon

Dandot Cement Company Limited, for the quarter that ended September 30, 2023, incurred a loss of PKR69m as it remained under the modernization phase and posted no revenue during the accounting period. No sales were reported.

Two top officials, Chairman Muhammad Farooq Naseem and Chief Executive Taha Muhammad Naseem, have optimistically reported that the Company plans to come into

production before the end of the calendar year 2023 with an emphasis on the Balancing, Modernization and Replacement (BMR) on improving the thermal efficiency and achieving the desired environment control standards.

New Chairman in Attock Cement

Company Secretary, Attock Cement Pakistan Limited. Irfan Amanullah informed Pakistan Stock Exchange Limited (PSX) on 13 November that

after the recent Election of Directors of the Company held on October 23, 2023, Mr Shuaib A. Malik has been appointed Chairman by the Board of Directors.

Attock Cement re-appoints Nawaz as CEO

Attock Cement Pakistan informed Pakistan Stock Exchange Limited (PSX) on November 03 that after the recent Election of Directors held on October 23, 2023,

Mr Babar Bashir Nawaz has been re-appointed as Chief Executive Officer (CEO) by the Board of Directors of the Company with effect from October 23, 2023.

PNSC to include two new tankers

The management of Pakistan National Shipping Corporation (PNSC) held a corporate briefing session on 17th Nov'23 to discuss the financial result of FY23 and future outlook of the company.

Brief Takeaways

· To recall, the company posted a consolidated profit after tax of PKR 29,994mn (EPS: PKR 227.11), depicting a massive jump of 5.3x YoY. The hefty growth in profitability is attributable to i) 3.1x and 3.2x YoY increase in freight revenue and demurrage income, respectively of oil revenue coupled with 3.4x YoY higher revenue from dry cargo TCP, ii) surge of 7.1x YoY in other income amid gain on sale of vessel tagged with exchange gain.

· At present, the company has fleet of 5 dry bulk carriers and 7 double hull tankers. Amongst the liquid bulk cargo, the company transports crude oil through its 5 Aframax crude oil tankers, while MoGas is transported via 2 of its LR-1 product tankers.

· The management shared that the company has devised a fleet development plan, under which the projects are still under evaluation. Under the this plan the company will have 10 new vessels in it fleet.

· The fleet development includes two new built Aframax tankers (each capable of carrying 115,000 deadweight tonnage).

· Furthermore, two MR tankers (each having a capacity of 50,000 deadweight tonnage) of not more than five years will also be added to the fleet (which as per the management is a new sector for PNSC).

· Moreover, keeping up with demand for large ships the company will add two Kamsarmax bulk carriers to the fleet (each having a capacity of 82,000 deadweight tonnage and not older than 5 years).

· In addition to this, the company will add two edible oil tankers to the fleet as a part of diversification strategy (each having a capacity of 37,000 deadweight tonnage and not older than 10 years). The management shared that the company has already signed MoUs with some edible oil companies.

· Lastly, two TEU Container Feeder Vessel (each having a capacity of 11,000 deadweight tonnage and not older than 5 years) will also be added to the fleet.

· The management informed that the purpose of the fleet development was to diversify into projects and replace the aging fleet.

· With the cashflows of PSO expected to improve given consumer gas prices revised, the management believes PSO will be able to pay the outstanding PKR 2bn to PNSC.

Courtesy - AHL Research

PIBT handled 4.84 million tonnes FY23 of cargo

Pakistan International Bulk Terminal Limited (PIBTL) released its annual report in the first week of November 2023.

The Director's Report says that during the financial year 2023, due to the macroeconomic challenges in the country, such as the high level of inflation, increased interest rates, devaluation of PKR against USD, reduced economic activity and import restrictions.

Thus, the Company's business was affected by the volumes handled, which lowered from 8.243Mt last year to 4.842Mt for the year ending June 30, 2023.

As a Terminal Operator, the Company's operations are largely dependent on the demand for imported coal by Cement, Power Plants, Textile, Chemical and other allied industries, and therefore, an economic downturn in the above sectors has considerably reduced coal imports, especially in the period from Dec 2022 till May 2023.

Furthermore, the increased trading of imported coal through Afghanistan has also adversely affected the Company's volumes, particularly when the coal commodity prices in the global market were indicating a higher trend

Despite the lower volumes handled during the year ended June 30, 3023, the operations of the Company have generated positive contribution margins with cash generated from operations amounting to PKR1.26bn (2022: 1.94bn) and a gross profit of PKR1.59bn(2022: PKR2.82bn).

However, owing to the devaluation of PKR, high interest rates and high inflation levels, the Company was not able to realise the above margins and posted a net loss before tax of PKR3.12bn after accounting for exchange loss on USD-denominated foreign loans of PKR2.31bn and finance cost of PKR2.01bn.

Provision for current tax is based on minimum tax, and deferred tax has improved mainly because of unabsorbed tax depreciation, resulting in net tax income of PKR972m and loss after tax of PKR2.15bn.

PIBT has been set up as the Country's first terminal for handling Coal, Clinker and Cement on a build, operate and transfer (BOT) basis at Port Qasim Authority.

Federal Minister of Maritime Affairs, Communication & Railway visits Gwadar port city

To closely monitor and evaluate the progress of development initiatives in Gwadar, Capt. (R) Shahid Ashraf Tarar, the Federal Minister of Maritime Affairs, Communication & Railway, undertook a comprehensive two-day visit to the port city. Accompanied by Federal Secretary Maritime, Dr. Iram Anjum Khan, the visit aimed to gain firsthand insights into the ongoing projects shaping the future of Gwadar.

A pivotal aspect of the visit included a detailed meeting held at the GPA Head Office Center, where Chairman GPA, Mr. Passand Khan Buledi, provided an extensive briefing to Minister Tarar on the progress of various GPA projects. The discussion encompassed updates on the Gwadar Port Free Zone and the comprehensive Gwadar Port Master Plan, shedding light on the strategic vision for the city's maritime future.

The Minister visited the Maintenance Dredging site at Gwadar Port Channel to gain a deeper understanding of the practical challenges and advancements. During this visit, he received a comprehensive briefing on the latest updates and encountered challenges faced during the execution of the dredging project.

GCCI wants Gwadar port operational on permanent basis

Gwadar Chamber of Commerce & Industry (GCCI) is taking efforts to operationalise the Gwadar port on permanent basis.

In this regard, Faisal Dashti founding president GCCI and VP to FPCCI met with the caretaker PM Anwaar-ul-Haq Kakar at PM House Islamabad and discussed issues related to Gwadar town & Gwadar port.

He stressed on keeping the Gwadar port operational on permanent basis by importing/ discharging all government procured commodities through it.

The Prime Minister Anwaar-ul-Haq Kakar principally agreed with the proposal and directed the concerned offices to work on it immediately.

Faisal Dashti also discussed issues with the PM regarding provision of basic needs to Gwadar, illegal fish trawling, CPEC projects, trade/ industrial development, conducive and business friendly environment for boosting up economic activities in the area. All concerned officials were also called by the PM office on the occasion.

Dashti also met with Sarfraz Bugti federal minister interior and Gohar Ejaz federal minister for commerce/ trade and industries earlier in this regard on the said issues.

Ordinances promulgated to 'fulfil IMF commitments'

The president has promulgated ordinances to restructure the management system of four government institutions in line with the commitment made to the IMF. The National Highway Authority (Amendment) Ordinance 2023, Pakistan Postal Services Management Board (Amendment) Ordinance 2023, Pakistan National Shipping Corporation (Amendment) Ordinance 2023, and Pakistan Broadcasting Corporation (Amendment) Ordinance 2023 were promulgated recently after respective secretaries "briefed the President on the urgency" of the matter, according to a PID news release.

After the amendments, the posts of chairperson and chief executives in NHA, Pakistan Post, PNSC and PBC would be separated "to ensure good governance in line with international best practices". Independent members would be inducted into their boards. The amendments have been made to bring these entities in conformity with the State Owned Enterprises (Governance and Operations) Act, 2023, promulgated in January.

"These amendments are a part of the SOE reforms agreed upon by the Government of Pakistan with the international partners and are included in the SBA (Standby Agreement) with the IMF as a structural benchmark. "Other provisions of the SOE Act, for example, regular reporting of an entity's performance to the Central Monitoring Unit, preparation of annual business plans, and preparation and public disclosure reports to better inform the public, will now apply to these organisations.

"Overall the amendments in the laws of these state-owned entities will lead to better governance, service delivery and accountability to the public," the news release said.

Mr Conrad Tribble, Consul General of US in Karachi called on Chairman KPT. Accompanied by Ms.Shelley Saxen & Mr.Fahd Zaidi.discussion centered around boosting port efficiency, road / railway connectivity and green shipping.

OICCI wants its President in KPT board

The Overseas Chambers of Commerce & Industry (OICCI) has requested the government to appoint its president as a trustee of the Karachi Port Trust (KPT), the country's largest seaport.

In a letter to the federal secretary of the Ministry of Maritime Affairs, the OICCI said it wanted Amir R. Paracha, its current president, to replace Ghias Khan, who had resigned earlier from the OICCI's reserved seat on the KPT board.

The OICCI said it had been regularly sitting on the KPT board of trustees, as per the constitution of the port authority, and had contributed to its development and governance.

The letter, dated Nov 23, was a follow-

up to an earlier communication in May 2022, in which the OICCI had explained its position and role on the KPT board to the minister of maritime affairs.

Hutchison Ports Pakistan launches the third year of the go green plantation drive

Hutchison Ports Pakistan kicks off the third year of its Tree Go Green plantation campaign, under which 100,000 mangrove saplings will be planted at Sonmani. This effort is a vital part of a broader initiative launched in 2021, where Hutchison Ports Pakistan has pledged to sponsor the World Wildlife Fund – Pakistan (WWF-P) to plant 500,000 mangrove saplings across 250 hectares over five years. This ongoing commitment underscores Hutchison Ports Pakistan's dedication to a greener, more sustainable future, exemplifying corporate responsibility and environmental conservation.

Changsu Kim, General Manager and head of the Business Unit at Hutchison Ports Pakistan highlighted the pivotal role of mangroves in climate change mitigation and marine biodiversity enhancement. “This drive is a testament to our commitment to environmental conservation, community development, and sustainable practices.

Gwadar soon to be hub of sea trade, says Kakar

A delegation of Gwadar Shipping Clearing Agents Association has requested the caretaker Prime Minister Anwaar-ul-Haq Kakar that in order to make Gwadar port fully functional, initially some part of the government cargo should be imported from Gwadar port to Pakistan.

The delegation comprising Gwadar Shipping Clearing Agents Association President Abdul Rahim Zafar, Secretary General Hameed Baloch, and Faisal Dashti met with the caretaker prime minister recently.

During the meeting, the delegation informed the caretaker premier about the problems of shipping clearing agencies, as well as, the problems of fishermen in Gwadar.

Kakar assured the delegation that their problems would be solved on a priority basis. He said that it is the priority of the government to give innovation to the fisheries industry in Gwadar.

Cargo handling capacity of major ports up from 1560.61 to 1617.39 MTPA in FY23

The cargo handling capacity of major ports in India has gone up from 1560.61 MTPA in FY21 to 1617.39 MTPA in FY23, the government data revealed recently. The cargo handling capacity of all major ports stood at 1597.59 MTPA in FY22.

"Infrastructure development and capacity augmentation of Major Ports is a continuous process. It involves the construction of new berths and terminals, mechanization of existing berths and terminals, capital dredging for deepening of drafts for attracting larger vessels, development of road and rail connectivity etc. As a result, the cargo handling capacity of the Major Ports of the country has gone up to 1617.39 Million Tonnes Per Annum (MTPA) as of March 2023," Shri Sarbananda Sonowal, Minister for Ports, Shipping and Waterways said.

The cargo handling capacity of Syama Prasad Mookerjee Port increased from 90.77 MTPA in FY21 to 92.77 MTPA in FY23. Similarly, the cargo handling capacity of Paradip port jumped from 259 MTPA in FY21 to 289.75 MTPA in FY23. Visakhapatnam Port's capacity also jumped from 134.18 MTPA in FY21

to 143.68 MTPA in FY23. Kamarajar Port, Chennai Port, VO Chidambaranar Port also registered slight jump in their cargo handling capacity in FY23.

In August, Sonowal said India is targeting a 300 per cent increase in ports cargo handling capacity by 2047.

MSC is now directly connecting Asia, Pakistan, and US West Coast

As part of our continuous efforts to satisfy market demand, MSC is enhancing its Sentosa-Shikra pendulum service. This standalone MSC's service will now include port call at Karachi, Pakistan, providing a direct service between Asia, Pakistan and US West Coast, opening new business opportunities but also improving interconnectivity and transit times between Southeast Asia, China, IPAK and the U.S. West Coast.

The full rotation is: Port Klang - Singapore - Laem Chabang - Vung Tau - Busan - Los Angeles - Oakland - Busan - Qingdao - Shanghai - Ningbo - Shekou - Singapore -Colombo - Mundra - Karachi - Nhava Sheva - Colombo - Port Klang.

The first vessel operating on the updated rotation will be MSC ALTAIR, voyage number GA35IA, expected to be in Busan on 22 December 2023.

Gulftainer holds a roadshow in China

Gulftainer, a leading regional ports and terminals operator, and tailored supply chain and logistics solutions provider, has conducted a successful roadshow in China to highlight the integrated trade and logistics capabilities of the UAE's gateways in the Northern Emirates, which are strategically located on Sharjah's coast both inside and outside the Straits of Hormuz, serving the major east-west shipping routes, the UAE and the wider Indian Ocean rim.

The roadshow was held from 23rd to 30th November in Shenzhen, Nansha, Beijing and Qingdao.

Headed by Andrew Hoad, Chief Commercial Officer of Gulftainer and included Zina Sujith, General Manager – Shipping Lines and Daniel Caton, Managing Director of Momentum Logistics, the delegation held a series of meetings with key industry players in the supply chain and logistics, freight forwarding, and manufacturing sectors.

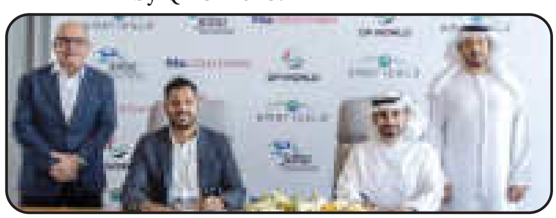
Andrew Hoad, Chief Commercial Officer of Gulftainer, said: "We see a wave of opportunity for our strategically located trade gateways in the UAE's Northern Emirates as both Sharjah Container Terminal and Khorfakkan Container Terminal offer a suite of tailored supply chain and logistics solutions in response to the evolving market dynamics.

Our flagship facilities can help cut the time, distance and cost while adding to the resilience of the industry."

DP World will develop a new state-of-the-art cold chain facility at Jebel Ali

RSA Cold Chain has signed a lease agreement with DP World to develop a new state-of-the-art cold chain facility at the flagship trade and logistics hub of Jebel Ali. RSA Cold Chain is a joint venture of Dubai-based supply chain company RSA Global and Americold, based in Atlanta, US, a leader in temperature-controlled warehousing and logistics. RSA Cold Chain will design, build, and operate this new facility on a 100,000-sqm plot in the Jebel Ali Free Zone (Jafza).

The facility will bring 40,000 new pallet positions to the port area while providing multi-temperature capabilities; both bonded and non-bonded solutions, and connectivity to DP World's best-in-class logistics solutions. Construction of the new facility is set to begin in early 2024, with completion expected by Q1 of 2025.



DP World maps climate resilience path for global Ports & Terminals

DP World has conducted a pioneering study assessing the impact of climate change on its global network of Ports and Terminals (P&Ts) through to the end of the century, as it urges other supply chain players to map their own climate resilience status.

In collaboration with climate analytics firm Jupiter Intelligence and consultants at Guidehouse, DP World's study examined three climate scenarios (low to high carbon) and assessed the potential impact of six hazards – floods, rain, wind, heat, cold and hail -- across 50 ports and terminals around the world. A whitepaper – Climate-Proofing the Supply Chain -- derived from the study underscores the importance of involving multiple stakeholders, including industry peers, governments, civil society, and local authorities, in addressing climate risks.

The study revealed that DP World's current direct physical climate risk to its global P&T operations was minimal, less than 0.4% of its 2021 P&T revenue. The risk is expected to remain stable until around 2050 – just as many countries hope to reach their net carbon zero targets. Beyond 2050, particularly under a high-carbon scenario, a more complex picture emerges, with increased risks as rising sea levels, flooding and extreme heat pose greater challenges.

LEATHER INDUSTRY

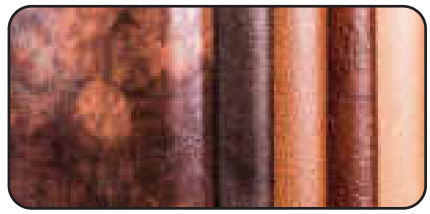
German interested in leather sector

Germany is exploring collaboration possibilities in Pakistan's sustainable textile and leather sector. This was disclosed by Pakistan's Representative in the German Emirati Joint Council for Industry & Commerce (AHK), Muhammad Usman, during a meeting with Karachi Chambers of Commerce and Industry (KCIC) in Karachi recently.

The leader of the German delegation informed that AHK, which is based in Germany, is represented in 93 countries through more than 130 Chambers of Commerce worldwide. "Since last year, in March, we expanded our services to Pakistan by opening a Pakistan desk in Dubai, which I am heading. We are responsible for the whole region, including UAE, Qatar, Oman, and Pakistan, and we also have offices in Iraq", he added.

Recalled here that Pakistan's exports to Germany stood at $1.60 billion in FY23 compared to $1.75 billion in FY22, representing a drop of 8.62% year-on-year basis. Both countries need to reduce trade barriers, diversify the range of products, simplify customs procedures, promote SMEs, and foster business collaboration to give a much-needed trade boost for economic integration.

Pakistan's leather industry consecutively posts a fall in exports



Pakistan's leather industry consecutively saw a fall in export revenue during the first four months (July – October) of the current financial year 2023-24 due to the high cost of doing business in the country and the economic slowdown in international markets. A contract of 12.43% was noted in finished leather, garments/ goods and footwear exports in value terms on a YoY basis when export revenues dropped to $293.30 million from $2334.93 million during this comparative period. According to the Pakistan Bureau of Statistics (PBS), the export of finished leather obtained a value of $44.90 million between July and October 2023 against $59.88 million – registering a fall of 25.01% on a YoY basis.

The export of leather manufacturing, including garments and goods, decreased by 8.11% to $195.29 million in 4MFY24 from $212.524 million during the same four months of the last financial year. Pakistan's footwear exports (all kinds) slid significantly during 4MFY24 by 15.07% in value, to $53.10 million from $62.53 million during last year's comparative four months. The quantity rose by 7.135 to 7.13 million pairs during this period.

Indian leather earns $2.085bn in 5MFY 23-24

Indian leather industry earned export revenue of US$ 2.085 billion on shipments of Leather, Leather products and Footwear between April and August 2023 against the performance of US$ 2.377 billion in April-Aug 2022. This translated into a decline of -12.26%. The Council for Leather Exports (CLE) noted the declining export trend as a cause for concern. However, CLE expressed hope that the recently held major international leather fairs, including the Lineapelle and Mipel + Micam fairs in Italy, have registered a significant increase in business visitors, which shows the resurgence of the market. Thus, India expects this may return to export growth mode in the coming months.

Bangladesh leather export falls to $427.02mn in 5MFY24

Bangladesh leather industry has posted a negative growth of 22.55% in the first five months (July – November 2023) of the ongoing financial year 2023-24 to $427.02 million from $537.50 million in 5MFY2022-23, shows data of the Bangladesh Export Promotion Bureau (EPB).

The breakdown shows that Bangladesh earned $55.88 million on exports of finished leather in the first five months of FY2023-24 compared to $55.57 million made in the same months in the last fiscal year, which shows a minor growth of 0.56%. The leather product exports also increased to $157 million between July and November FY 2023-24 against $153.74 million in five months of the last fiscal year. It translates to a growth of 2.11% on a YoY basis.

However, on a negative note, leather footwear exports decreased 34.75% to $214.15 million in July – November of FY 2023-24 compared to $328.19 million made in the same five months a year ago. Industry experts blamed the rising cost of doing business for the fall in footwear exports.

PPL makes gas and condensate discovery in Sindh

Pakistan Petroleum Limited (PPL) and its joint venture partners have made a gas and condensate discovery at an exploration well in Shah Bandar Block in Sindh province, the company said recently.

The Jhim East X-1 well, operated by PPL with a 63 percent working interest, was drilled to a depth of 2,545 metres and tested the hydrocarbon potential of the Lower Goru formation, PPL said in a statement.

The well flowed 13.69 million standard cubic feet per day (MMscfd) of gas and 236 barrels per day of condensate at a wellhead pressure of 2,668 pounds per square inch (psig) at a 32/64 inch choke.

During testing of Lower Goru upper sand (A sand), the well flowed 13.69 MMscfd gas and 236 barrels/ day condensate at wellhead flowing pressure of 2,668 psig at 32 /64" choke," the company said. "The well is being further evaluated to obtain necessary information about its performance.

The discovery is the second one in the Shah Bandar Block, which covers an area of 2,467 square kilometres in District Sujawal, Sindh. The other joint venture partners are Mari Petroleum Company Limited with a 32 percent stake, Sindh Energy Holding Company Limited and Government Holdings (Private) Limited with 2.5 percent each.

The well was drilled and tested using indigenous expertise and will add hydrocarbon reserves to reduce the gap between energy supply and demand in the country, PPL said.

OGDCL completes Khewari development project

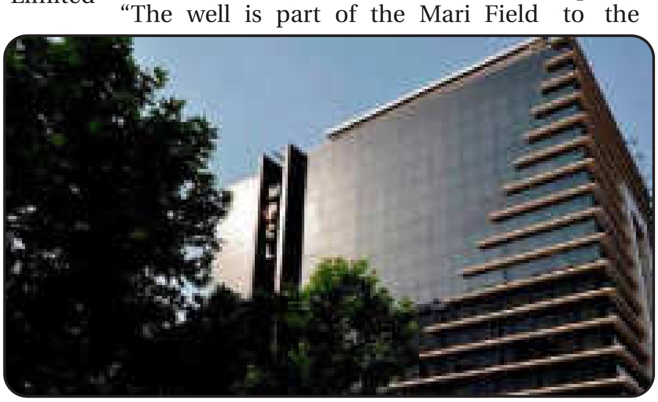
While adopting a strategic fast-track strategy, the Oil & Gas Development Company Limited (OGDCL) has successfully completed the Khewari (Suleman 1 & 2) Development Project.

The Khewari Development Project has potential of 10 million standard cubic feet per day (MMSCFD) which is being processed at the Sinjhoro Plant in the Sanghar district of Sindh province. Currently, the wells are undergoing choke optimization process to further enhance gas supply.

To expedite the project, OGDCL implemented a fast-track strategy, ensuring swift processes and timely delivery. This included laying a 6-inch diameter pipeline covering a distance of 14.5 kilometers from the Gathering Facility near Suleman-1 to the Chabaro Tie-in point, facilitating early first gas injection into the SSGC system.

MARI tested a 3rd horizontal development well

Mari Petroleum Company Limited (MARI), announced that it had successfully drilled and tested a third horizontal development well in Habib Rahi Limestone reservoir of Mari Gas Field, which will be put on regular production immediately.



"We are pleased to inform that MARI has successfully drilled and tested a third horizontal development well Mari-124H in Habib Rahi Limestone (HRL) Reservoir of Mari Gas Field in Daharki, Sindh Province," the comapny said in a filing to the PSX.

"The well is part of the Mari Field Revitalization Project aimed at better managing the delivery pressure, sustaining the gas production, and optimal reserves recovery, all leading to the arrest of the depletion in production."

The company said well was drilled to a total measured depth of 1,740 meters with a horizontal section length of around 750 meters. "After completion, the well was tested at a rate of around 17 million standard cubic feet per day (mmscfd) of gas at a flowing wellhead pressure of 470 pounds per square inch gauge (psig)."

Ahmed Shah takes oath as Sindh's interim information minister

The Arts Council of Pakistan's Karachi President and renowned social and cultural figure, Muhammad Ahmed Shah, was inducted into the caretaker Sindh cabinet as minister for information, minorities affairs, and social protection recently.

A ceremony was held at the Governor House where Shah took the oath of office. Sindh Governor Kamran Khan Tessori administered the oath. Interim Chief Minister Justice (retired) Maqbool Baqar, witnessed the oath-taking by Shah.

Saleem Khan posted as DGPR

Muhammad Saleem Khan, the senior most officer of Information Department has been posted as Director General Public Relations BS-20, Information Department, Government of Sindh. Services, General Administration and Coordination Department has issued a notification in this regard.

He is presently working as Press Secretary to Governor Sindh. Muhammad Saleem Khan possesses 34 years experience in Public Relations and Media Management and has worked in various key posts including PRO to Chief Minister Sindh, PRO to Governor Sindh, Director Press Information, Director Admin & Accounts and PRO to various Ministers.

ECP approves appointment of PTV MD

The Election Commission of Pakistan has approved the appointment of Syed Mubasher Taugeer Shah as the MD of state TV. The ECP has approved the summary sent by the Establishment Division for his appointment. Shah was awaiting in the Ministry of Information for the appointment, which has been made on deputation.

PM appoints Fahd Haroon as special assistant

Caretaker Prime Minister Anwaar-ul-Haq Kakar has appointed Fahd Haroon as his Special Assistant on Digital Media. According to a notification issued by the Cabinet Division, the newly-appointed Special Assistant to Prime Minister (SAPM) will enjoy the status of Minister of State.

Fahd Haroon also acted as SAPM on Public Communication and Digital Platforms in the Shehbaz Sharif government. He had also been conferred with Sitara-e-Imtiaz, which he will receive on March 23, next year. The federal cabinet now has 18 federal ministers, three advisers and seven SAPMs.

PBA board elects unopposed office-bearers for 2023-24

The Pakistan Broadcasters Association (PBA) board meeting elected its office-bearers for the year 2023-2024, recently.

According to a press release, the newly-elected office-bearers included: Shakeel Masud Hussain (Dawn News) as Chairman; Mir Ibrahim Rahman (Geo TV), Senior Vice Chairman; Ahmed Zuberi (Aaj TV), Vice Chairman; Mian Amer Mehmood (Dunya TV), Secretary General; Muhammad Ather Kazi (KTN), Joint Secretary; and Ghulam Nabi Morai (Mehran TV), as the Finance Secretary. They all were elected unopposed.

Pakistan, UAE sign MoUs worth multi-billion dollars: caretaker PM Kakar

Pakistan and the United Arab Emirates (UAE) have signed memorandums of understanding (MoUs) worth multi-billion dollars to boost economic, regional, and strategic cooperation, Caretaker Prime Minister Anwaar-ul-Haq Kakar said in a video statement from Abu Dhabi.

The MoUs signed between the two countries would turn into tangible projects very soon, the premier said in the video released by the Prime Minister's Office (PMO) on X, formerly Twitter.

Investment cooperation agreed in sectors of energy, port operations projects, waste water treatment, food security, logistics, minerals, and banking & financial services.

Khurram Agha appointed principal secretary to PM

The government has appointed Capt (retd) Muhammad Khurram Agha as the Principal Secretary to the Prime Minister (PSPM) with immediate effect and till further orders.

Till recently, Agha was the federal secretary for communications. He replaces Dr Syed Tauqir Hussain Shah.

Atif Ikram elected FPCCI president

Majority of candidates nominated by United Business Group (UBG) and Businessmen Panel Progressive (BMP) succeeded in the elections of Federation of Pakistan Chambers of Commerce and Industry (FPCCI) for the term of 2024-25.

According to unofficial results issued on Saturday (Dec 30, 23), the UBG and BMP Progressive bagged all the leading seats including the slots of president and the senior vice president.

The UBG's presidential candidate Atif Ikram Sheikh was unofficially elected, defeating Muhammad Ali from BMP.

Meanwhile, Saquib Fayyaz another nominee of the UBG defeated Abdul Ghani of BMP on the slot of senior vice president.

For the reserve seat of Women Chamber, Qurat ul Ain of UBG was elected. On Balochistan chamber seat Nasir Khan of BMP was elected. However, on four seats of vice presidents of Association Class, Asif Inam, Aman Paracha, Asif Sakhi and Zaki Ejaz of UBG were elected.

Aun Ali Syed (BMP) was elected on seat of vice president from Khyber Pakhtunkhwa. Tariq Mehmood Jadoon (UBG) was elected on seat of vice presidents from Small Traders. Zain Iftikhar (UBG) was elected as vice president from Punjab. Abdul Muhamin Khan from UBG and Muhammad Yahya Memon from BMP were contesting for the seat of vice president from Sindh. As the both got equal numbers of votes, the result was withheld and to be announced later on.

Courtesy - Business Recorder

Sarbazi re-elected KPC President

The Democrats Panel swept the Karachi Press Club (KPC) elections for the 14th straight year recently.

Other groups that contested the annual polls were 'The Independent' and 'The Journalist' panels.

A large number of KPC members, all being journalists, participated in the election process. Dr. Tauseef Ahmad Khan, head of the Election Committee, announced the results in a ceremony held at the KPC premises.

According to Dr. Tauseef, Saeed Sarbazi of 'The Democrats' panel was elected as president with 845 votes while his opponent, Aftab Hussain, bagged 110 votes.

Shoaib Ahmed was elected as a secretary with 843 votes while his opponent Arif Khan got 96 votes. Abdul Rashid Memon got 758 votes for the post of vice president, Ehtisham Saeed Qureshi got 806 votes for the post of treasurer, and Muhammad Munsif got 726 votes for the post of joint secretary.

Shams Keerio, Mona Siddiqui, Shazia Hassan, Nawab Qureshi, Shoaib Ahmed, Rana Javed and Noor Mohammad Kalhoro were declared successful on all seven governing body seats.

The polling started at 9 am and continued till 5 pm without any break. Out of a total of 1,503 registered voters, 979 members cast their votes.

Courtesy - Business Recorder

Engro Corporation received the prestigious Pakistan Stock Exchange Top 25 Companies Award

Engro Corporation and its subsidiaries Engro Fertilizers, Engro Polymer & Chemicals and Engro Powergen Qadirpur were presented the prestigious Pakistan Stock Exchange Top 25 Companies awards by the caretaker, Honourable Prime Minister Mr Anwaar ul Haq Kakar, at a ceremony held in Karachi. Chairman Engro Corporation Hussain Dawood, invited to address the distinguished guests, appreciated the government for recognising the private sector's pivotal role in Pakistan's economy. He said that the corporate sector is fully aligned with the government's direction to create a conducive business environment and restore investor confidence.

Hussain Dawood also thanked the Pakistan Stock Exchange for instrumentally encouraging the corporate sector to excel. Reflecting on investor confidence, Chairman Engro Hussain Dawood said, "A country's potential for success and development is directly proportional to its ability to speak the truth. Do we speak the truth? Domestic and foreign investors will invest if they believe we speak the truth." In his speech, caretaker Honourable Prime Minister Mr. Anwaar ul Haq Kakar said he felt proud of inspiring individuals like Hussain Dawood, an emblem of resilience, humility, and accomplishments. He acknowledged the contributions of Hussain Dawood towards philanthropy, the business landscape and the country.

DEL and ECPL sign MoU on asset life cycle management

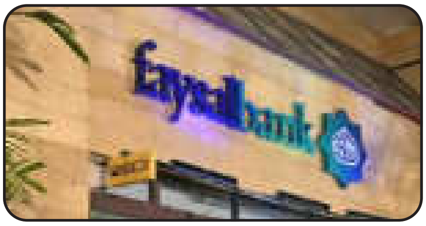
Descon Engineering Limited (DEL) and Engro Polymer & Chemicals Limited (EPCL) are proud to announce the signing of a Memorandum of Understanding (MoU) to further enhance their more than three decade-long partnership.

This significant milestone, marks a renewed commitment to mutual collaboration in the field of plant maintenance, shutdowns, reliability, and asset performance management to ensure sustainable operations. The MoU was officially signed by the Chief Executive Officer of Descon Engineering, Taimur Saeed, and the Chief Executive Officer of Engro Polymer & Chemicals Limited, Jahangir Piracha, solidifying the intent of both organisations to work together for the long-term benefit of their valued clients.

BANKING & INSURANCE

Faysal Bank declared 'Best Emerging Bank'

Faysal Bank, the leading Islamic Bank, was declared the Best Emerging Bank at Pakistan Banking Awards. The award was conferred in recognition of Bank's leadership in terms of innovation, widest Islamic product range and



its historical conversion from a conventional to Islamic Bank coupled with spectacular growth.

The President & CEO, Yousaf Hussain said that this was possible due to the vision & support by Bank's Board, commitment of Bank's leadership team, determination of its employees and trust of our customers, as their top choice bank.

Chairman of the Board, Mian Muhammad Younis said that the Bank will continue with its solid growth plans and remained committed to play a meaningful role in the economic growth of Pakistan.

MCB Islamic Bank's PBT jumps to Rs7.5bn

In a remarkable display of financial prowess, MCB Islamic Bank's profit before Tax has shown phenomenal growth of 348 percent as compared to the corresponding period of 2022, leaping from Rs 1.675 billion to Rs 7.506 billion for the 3rd quarter ending September 30, 2023.

This achievement reflects the Bank's unwavering commitment to low-cost deposit mobilization, seizing timely investment opportunities, maintaining prudent financing practices, robust risk management, ensuring strict regulatory compliance and establishing itself as a key player in the rapidly expanding Islamic Banking Industry.

Deposits have increased to Rs 183 billion, reflecting year-on-year growth of 28 percent. The bank's Current and Saving Account (CASA) mix stands at a robust 77 percent, and non-remunerative deposits constitute 33 percent of the total deposit mix, highlighting customer trust and strategic focus.

Total Assets reached Rs 234 billion while Net Financing closed at Rs 71.50 billion and investments reached an impressive Rs 110.76 billion which depicts the Bank's diligent approach on efficient capital management, improved asset quality and a high-yield portfolio.

The bank achieved an Operating Income of Rs 13.62 billion and a 2.37 percent Return on Total Assets, reflecting its commitment to delivering value.

The improvement in the Bank's profitability also increased the earnings per share after tax to Rs 2.47, a significant jump from Rs 0.64 of the comparative period.

'Summit Bank' redefines itself to 'Bank Makramah'

In a significant development, Summit Bank Limited (SMBL) has undergone a transformation and rebranded itself as Bank Makramah Limited (abbreviated as BML). The new name and logo shall be effective and visible across all platforms from November 27, 2023. The Pakistan Stock Exchange (PSX) has duly notified all participants regarding the new name. Moreover, the National Clearing Company of Pakistan Limited (NCCPL) responded to the bank's request by assigning the new security symbol 'BML' in alignment with the rebranding initiative.

This shift in identity follows the decision made by the Board of Directors (BoD) on July 17, 2023, to redefine the bank's name. This change has been officially communicated through a notice issued by the local bourse.

EFU General Insurance honoured with 13th Annual Fire & Safety Award 2023

EFU General Insurance Ltd., the leading non-life insurer in Pakistan, was honoured with the 13th Annual Fire & Safety Award 2023 at an event organised by the National Forum of Environment & Health at a local hotel. The award was received by Mr. Wahaj Ur Rehman Khan - EFU General Insurance.

This laurel is yet another testament to EFU General's ongoing commitment to adopting and implementing robust fire and safety management systems across its network throughout Pakistan.

Jubilee Life received the Top 25 Companies Award of PSX

Mr Farhan Faridi, Group Head, Retail Operations, Marketing and Administration at Jubilee Life Insurance, receives the Top 25 Companies Award by Pakistan Stock Exchange from Honorable Prime Minister of Pakistan Anwar-ul-Haq Kakar at a ceremony held at Mohatta Palace, Karachi. This is the fourth time that Jubilee Life has won the prestigious accolade in the last decade, and it is the only insurance company in Pakistan to bag the award this year.

Pak-Qatar Family Takaful and Instaful Solutions join hands to promote Inclusive Banca Takaful

Pak-Qatar Family Takaful and Instaful Solutions have entered into a strategic partnership to introduce Inclusive BancaTakaful, a first-of-its-kind initiative in the country.

BancaTakaful, an innovative distribution model, involves offering Takaful products to bank customers, primarily to depositors.

Unlike traditional BancaTakaful which typically targets a subgroup of wealthier individuals with higher deposit amounts, this new initiative aims to address the needs of the majority, middle- or low-net-worth individuals, comprising 60-70 percent of total bank depositors. These customers are exposed to host of savings, investment and protection needs which largely remain unserved under current model.

Recognizing the changing landscape influenced by enhanced digitalization, Pak-Qatar Family Takaful and Instaful believe that leveraging technology is key to scaling Takaful products beyond a limited niche to a mass clientele. The concept of Inclusive BancaTakaful is in essence Digital BancaTakaful and revolves around offering a range of innovative products and solutions to the currently ignored middle segment of banks through the use of technology.

Speaking at the occasion, Mr. Azeem Pirani, CEO of Pak-Qatar Family Takaful, expressed enthusiasm about this collaboration, stating, “Our partnership with Instaful aligns with our commitment to delivering innovative, customer-centric solutions. Through this collaboration, we aim to redefine the Takaful landscape, making it more accessible, convenient, and transparent for our valued customers.”

Bank Alfalah to embark on its green banking journey

Bank Alfalah, a leading commercial bank in Pakistan and the International Finance Corporation (IFC) formalised a Green Banking Advisory Agreement. This agreement underscores Bank Alfalah's dedication to fostering sustainable and accountable green banking practices.

It follows the Bank's successful adoption of the State Bank of Pakistan's (SBP) Environmental and Social Risk Management (ESRM) framework, aligning with the Green Banking Guidelines introduced in October 2017. The collaboration with IFC will encompass several key initiatives. Through this engagement, IFC will leverage its global expertise in supporting Bank Alfalah in developing a green banking roadmap and own-impact measurement capabilities and exploring avenues for sustainable financing. Additionally, the partnership will empower Bank Alfalah to explore avenues in sustainable finance, leveraging IFC's global network.

Expressing commitment to advancing sustainable development in Pakistan, Atif Bajwa, the President and CEO of Bank Alfalah, stated, "Bank Alfalah is committed to playing a leading role in promoting sustainable development and looking forward to embarking upon the journey towards green banking. This partnership with IFC will reinforce our green banking capabilities, contributing to a greener future for the nation.”

Zindigi and Visa Forge Strategic partnership to elevate payment solutions

Strategic partnership between Visa and Zindigi-Powered by JS Bank aims to promote financial inclusion and digital transformation, and will facilitate digital payments across merchant network in Pakistan.

Zindigi powered by JS Bank signs agreements with Visa, a global leader in digital payments, to introduce innovative payment solutions in Pakistan. This collaboration is a major achievement for both companies, to provide customers with cutting-edge and effortless payment solutions.

Visa's extensive global presence in over 200 countries and territories, with over 4.2 billion cards issued worldwide and accepted at more than 100 million merchants, makes it an ideal partner for Zindigi. By combining Zindigi's expertise in financial technology with Visa's established network, this collaboration promises to revolutionize the way people transact and manage their finances.

easypaisa partners with Unikrew and USAID to foster financial empowerment for Women

easypaisa, Pakistan's leading digital financial services platform, has partnered with Unikrew and the United States Agency for International Development (USAID) to empower women through groundbreaking and innovative financial solutions.

This collaboration aims to integrating women-centric products within the easypaisa app, leveraging digital technology to enhance financial inclusion and independence.

As part of the collaboration, easypaisa will implement a fully digital registration and account opening process.

This streamlined journey ensures an instant and hassle-free experience for women looking to establish financial accounts within the easypaisa app.

With over 40 million registered accounts and counting, easypaisa remains committed to driving positive change through the power of collaboration and technology.

HBL and BOC sign MoU to enhance regional trade

HBL and the Bank of China (BOC) signed a Memorandum of Understanding (MoU) for strategic cooperation at the BOC headquarters in Beijing, China. Liu Jin, Vice Chairman & President - Bank of China, Sultan Ali Allana, Chairman - HBL, and Muhammad Aurangzeb, President & CEO - HBL represented their respective institutions.

The signing of the strategic cooperation memorandum signifies HBL and BOC's commitment to drive economic empowerment and regional connectivity. The cooperation between HBL and BOC will facilitate seamless trade opportunities, benefiting businesses in South Asia, Middle East, Central Asia, and Africa.

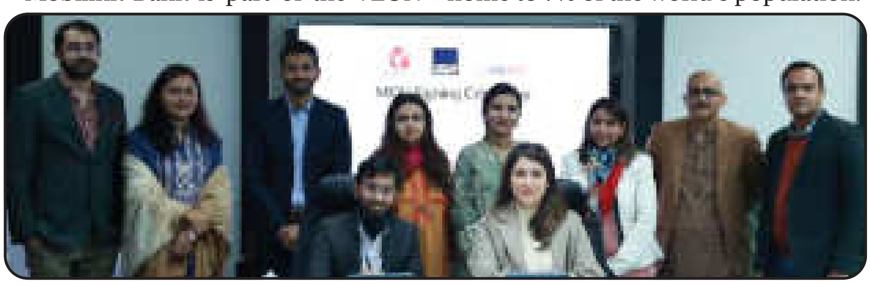
Both the organizations will also work to deepen strategic cooperation in the areas of Environmental, Social & Governance (ESG), technology, and training.

Bank of China is a premier bank in China with presence in over 60 markets around the world while HBL serves over 15 global markets with dedicated China desks and branches in Beijing and Urumqi.

Mobilink Bank and Unikrew Solutions collaborate to drive Women's Financial Inclusion

Pakistan's leading digital microfinance bank, Mobilink Bank, has joined forces with a prominent fintech player, Unikrew Solutions, to drive women's financial inclusion in the country through a project funded by USAID. Quratulain Chaudhary, Executive Manager Women Financial Services (WFS) Mobilink Bank, and Muhammad Naveed Sharif, Director Unikrew Solutions, signed a Memorandum of Understanding in Islamabad, alongside Project Leads to set the collaboration in motion.

Mobilink Bank is part of the VEON group. This global digital operator provides converged connectivity and digital services to nearly 160 million customers in six dynamic markets home to 7% of the world's population.



JS Bank partners with SOS Pakistan to provide employee banking solutions

JS Bank, one of the fastest-growing banks in Pakistan, has signed a memorandum of understanding (MOU) with Security Organizing System (SOS) Pakistan.

Through this MOU, JS Bank will leverage its financial expertise by providing state-of-the-art transaction banking solutions, including JS Cash Management and Employee Banking services tailored to SOS employees.

The agreement was signed during a ceremony in the presence of Syed Jafar Raza, Group Head of Investment, International & Transaction Banking, JS Bank, Ahmed Ali Usuf, Global Chief Operating Officer and Development, SOS Pakistan, and other team members from both entities.

Jubilee Life Ins marks 5-year milestone in empowering youth

Jubilee Life Insurance, Pakistan's largest private sector insurance company, proudly celebrated its 5th consecutive year of collaboration with SEED Ventures on the Enterprise Challenge Pakistan (ECP), the country's premier business challenge for school children with an event held at the British Deputy High Commission (BDHC) Karachi, Pakistan.

The keynote address at the event was delivered by British Deputy High Commissioner Sarah Mooney. Other speakers at the event included MD & CEO Jubilee Life Insurance Javed Ahmed, and Head of Marketing and Brand Management Jubilee Life Insurance Usman Qaiser, along with CEO SEED Ventures Shaista Ayesha, ECP Programme Manager Maha Salman.

Meezan Bank partners to provide tax facilitation services for Freelancers

Meezan Bank, Pakistan's leading Islamic bank, has recently formalized an agreement with Befiler to enhance the tax facilitation services available to freelancers. This collaboration aims to provide Meezan Freelancer Account holders, including those with Meezan Digi Freelancer Accounts, access to discounted rates on a suite of tax-related services offered by Befiler, a prominent player in the tax facilitation industry.

Through this collaboration, Befiler will ensure a streamlined and efficient process for various taxation-related services for the Meezan Freelancer Account holders. The services provided by Befiler range from NTN registration with the Federal Board of Revenue (FBR) to the monthly filing of Sales Tax Returns. The official signing ceremony for this collaboration took place at Meezan House in Karachi and was attended by senior representatives from both organizations including Mr. Zia ul Hasan, Group Executive of Operations and Branch Banking, Meezan Bank, and Mr. Akbar Tejani, Co-Founder & CEO of Befiler.

Mobilink Bank secures Best Bank for Inclusion Award at PBA 2023

Mobilink Bank has won the prestigious title of Best Bank for Inclusion at the Pakistan Banking Awards (PBA) 2023, held at a local hotel on November 24.

The accolade highlights the Bank's outstanding contributions in promoting inclusive financial practices, championing accessibility to banking services and demonstrating a commitment to serving a diverse clientele.

Commenting on the achievement, Ghazanfar Azzam, President and CEO Mobilink Bank, said, "The Best Bank for Inclusion Award highlights Mobilink Bank's unwavering commitment to excellence. Dedicated to innovative solutions, we at Mobilink Bank challenge industry norms, delivering premium digital and financial services.

Karandaaz and Bank Alfalah join hands

Bank Alfalah, one of the largest commercial banks in Pakistan, signed an agreement with Karandaaz to expand the female agent network in Pakistan.

This partnership was signed in the presence of Karandaaz Chairperson Salim Raza, Bank Alfalah President and CEO Atif Bajwa, Karandaaz CEO Waqas ul Hasan, Group Head Digital Banking Group Muhammad Yahya Khan and other senior members of Bank Alfalah and Karandaaz.

The partnership aims to promote women's financial inclusion in Pakistan and is aligned with the objectives of Karandaaz's Women's Financial Inclusion (WFI) programme.

This collaboration is a significant step towards fostering economic empowerment and accessibility in the financial sector.

JS Bank signs MoU with UKS to women empowerment

Reiterating its commitment to social responsibility, JS Bank, one of the fastest-growing banks in Pakistan, has partnered with the UKS Research Centre to raise awareness of Gender Equality and Women Empowerment. The MoU was signed between Atif Malik, Group Head Retail Banking – JS Bank and Tasneem Ahmer, Founder and Director – UKS in the presence of their respective teams.

AUTOMOBILE NEWS

Indus launches HEV

INDU has finally launched its much-anticipated HEV, the "Corolla Cross," featuring two variants—HEV X and the base variant—priced at PkR9.4mn and PkR9.8mn, respectively. The offered pricing positions the “Cross” as a value-for-money choice in the HEV market.

The competitive pricing strategy positions to even fetch some market share of other SUVs in the similar price range. We anticipate the company to capture around 40% of the HEV market share, selling ~1,250 units in 2HFY24.

Company’s demand recovery is expected amid increased demand from rural areas, driven by improved farmers’ income given higher rates and better crops of cotton and sugar. Notably, Toyota holds the highest market share (sedan) in rural and small-tier cities.

Despite a reduction in prices in Oct’23, company is anticipated to maintain gross margins, thanks to a stable parity of the rupee against the dollar and Japanese yen (flat in last 3 quarters), and easing CRC prices (US$650/ton vs. FY23 avg. of US$700/ton).

We maintain a "Buy" rating on the stock, with a Dec’24 target price of PkR1,580/sh, reflecting an upside potential of 24.6% from the last closing and FY24 D/Y of 5.9%.

Courtesy - AKD Research

Pakistan Autos: Nov 23 saw a minnor recovery in sales

After a weak October, November saw a minor recovery with industry sales improving by 5% MoM. However on YoY basis, sales were still down a substantial 65% indicating that a sustained demand recovery remains elusive. HCAR sales were a stand out this month improving by 2.2x MoM. The 2/3 wheeler segment that had posted three consecutive MoM improvements in sales saw its first decline, falling by 13% MoM.

INDU: Sales volumes remained disappointing, declining by 9% MoM and 71% YoY, with the company producing and selling only 487 and 956 vehicles respectively for the month. The sedan segment has now witnessed 4 consecutive monthly declines in FY24, after the 13% MoM decline in November. Production number fared even worse declining by 27% MoM and 87% YoY, likely on account of the plant being shut down from 1st to 17th November.

PSMC: The MoM sales dropped by 8%, while the YoY decline reached 72%. The primary factor behind this month's diminished sales figures was the Suzuki Alto. Typically averaging around 63% of total PSMC sales, the Suzuki Alto witnessed a 25% MoM decline.

HCAR: The company showcased promising sales figures with a 2.2x MoM increase, although overall sales still experienced a 49% YoY decline. Notably, the sedan segment's remarkable 2.4x MoM improvement largely drove the surge in sales volume. However, production faced a 9% MoM decrease, likely attributed to the plant's closure during the initial 9 days of the month.

The tractor industry: Sales, which displayed signs of weakness last month, declined by 33% MoM. However, tractor sales for the 5MFY24 surged by 98% YoY, demonstrating a significant improvement in Pakistan's agricultural sector compared to the previous year, which was severely affected by floods. In the MoM comparison, MTL outperformed AGTL, experiencing only a 6% decline compared to AGTL's substantial 68% decrease. This led MTL to capture 80% of the market share this month.

Auto sales remained sluggish this month due to a significant erosion in consumer purchasing power caused by the prevailing inflation in Pakistan. Additionally, the decade-high interest rates have compelled consumers to postpone automotive purchases. It's anticipated that as monetary easing takes effect from 2024, we'll witness an improvement in sales figures moving forward. The recent implementation of the axle load regime is expected to positively impact truck demand, potentially requiring twice the number of trucks to carry the same load. Consequently, GHNI and HINO stand to benefit from this development.

Courtesy - Intermarket

Saquib H. Shirazi (CEO Atlas Honda) with Shinji Aoyama (Representative Executive Officer and COO, Honda Motor Co.), Noriaki Abe (Chief Officer Motorcycle and Power Products Business, Honda Motor Co.), Aamir H. Shirazi (President Atlas Group), Toshio Kuwahara (President and CEO Asian Honda) on the occasion of unveiling Honda BENLY e - in Pakistan

TELECOMMUNICATION NEWS

Jazz invested Rs20.6bn in 9MFY23

Jazz invested Rs 20.6 billion in the first nine months of 2023, mainly under its "4G for All" initiative, bringing its overall investment in Pakistan to $10.6 billion.

The company stated that despite a remarkable 27 percent year-on-year (YoY) growth in overall revenues in the local currency, Jazz's revenue declined by 3.5 percent in USD terms during the third quarter of 2023.

This downturn was primarily attributed to a 31 percent YoY devaluation of the Pakistani rupee (PKR). Additionally, margins felt the impact of an unprecedented surge in business costs, marked by a 7 p.p. YoY increase in interest rates and a substantial rise in network energization cost.

Undeterred by these challenges, Jazz continues to lead the market with a strong focus on driving digital and financial inclusion, having invested Rs20.6 billion in the first nine months of 2023, mainly under its "4G for All" initiative. This brings its overall investment in Pakistan to $10.6 billion.

The majority of its capital expenditure during the quarter was directed towards adding more than 1,000 new 4G sites, showcasing the company's commitment to ensuring a consistent improvement in service quality for its customers. This network expansion played a pivotal role in increasing Jazz's 4G customer base by 6.4 percent YoY, reaching 43.2 million, while its overall subscriber base reached 70.5 million.

Jazz CEO Aamir Ibrahim highlighted that the continuous investment from Jazz has already begun to yield positive results, with significant traction seen in Jazz's fintech, entertainment, and cloud platforms. These segments have witnessed a surge in customer adoption, indicating a strong response from the market.

Moreover, with around 45 million customers, Mobilink Microfinance Bank retains its position as Pakistan's largest digital bank, issuing 35,000 loans during the reporting period with an average loan size of Rs283,000, specifically to facilitate micro entrepreneurs as well as the small and medium enterprise sectors.

Pakistan may have 5G in July next year

Caretaker Federal Minister of Information Technology and Telecommunication Dr Umar Saif recently announced that 5G will be launched in July next year, and 300 MHz spectrum would be offered for auction.

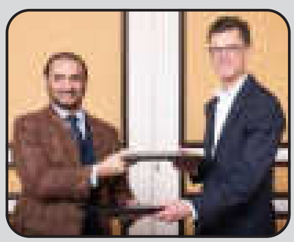
He further said that the government is solving the problems of telecommunication companies regarding 5G.

A telecommunication tribunal will be set up in three weeks, and an action advisory committee has been formed for 5G. A consultant will be hired for 5G action. He expressed the hope that all telecommunication companies will buy the spectrum.

PTCL acquired a 100% stake in Telenor Pakistan

Pakistan Telecommunication Company Limited ("PTCL"), part of e& Group (e&), announced that it had signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) based on an Enterprise Value of PKR 108 Billion on a cash-free, debt-free basis.

The acquisition brings together the strengths and expertise of both PTCL Group and Telenor Pakistan, creating synergies that will drive innovation and bolster our market, allowing us to reach a broader customer base and accelerate our digital transformation journey. The milestone will add to PTCL's strategic growth and market expansion, solidifying its position as a key player. Our combined strength will revolutionize the telecom industry in Pakistan.



Jul-Nov mobile phones imports up 112.2pc to $616.54m YoY

The country imported mobile phones worth $616.541 million during the first five months (July-November) of the current fiscal year 2023-24, registering a growth of 112.20 per cent when compared to $290.550 million during the same period of last year.

Pakistan's mobile phone imports decreased by 11.69 per cent on a Month-on-Month (MoM) basis in November 2023 and stood at $146.549 million compared to imports of $165.941 million in October 2023, according to data released by the Pakistan Bureau of Statistics (PBS).

Mobile phone imports registered 127.21per cent growth on a Year-on-Year (YoY) basis in November 2023 when compared to $64.499 million in November 2022.

The overall telecom imports into the country stood at $794.445 million during July-November 2023 and registered 74.36per cent growth compared to $455.625 million during the same period of the last fiscal year.

STEEL & ALLIED INDUSTRY

Axle load will not impact Mughal Steel

The management of Mughal Iron & Steel Industries Limited (MUGHAL) held a corporate briefing session on 23th Nov'23 to discuss the FY23 financial result and future outlook.

Brief Takeaways

· To recall, the company posted a profit after tax of PKR 3,480mn (EPS: PKR 10.37) in FY23 vis-à-vis 5,410mn (EPS: PKR 16.12). The profitability was mainly impacted by increase in finance cost.

· Currently, the company has a copper handling capacity of 7000 tons. This is anticipated to increase by 25%, after the completion of second phase which is expected to come online in FY24.

· The local price of scrap is available at PKR 170,000- 180,000/ton. The company does not use local scrap for its production.

· Currently the rebar prices are trading at PKR 265,000-275,000/ton for graded and PKR 240,000-250,000/ton for ungraded.

· The weighted average cost of electricity is around ~PKR30-35/unit.

· The company has tapped into new markets, through the introduction of copper granules. Heating and melting cost are eliminated in the production of copper granules.

· Copper ingots and copper granules are exported to China.

· After the completion of coal power plant, the total captive generation will contribute to about 30-40% of total electricity requirement.

· Mughal steel has its own transport, so axle load factor will not have any impact on its profitability, as per management.

Courtesy - AHL Research

IIL inaugurates another 1MW solar project in Sheikhupura

International Industries Limited (IIL), Pakistan's largest manufacturer & exporter of steel and polymer pipes, announced another major stride in its journey towards sustainability, self-sufficiency, and environmental responsibility. Following the successful inauguration of its first 1 MW solar project at its Karachi factory, IIL recently hosted a commissioning ceremony for an equivalent 1 MW solar project at its Sheikhupura production facility.

This significant initiative underlines the Company's firm commitment to harnessing renewable energy sources and reducing its carbon footprint.

Agha Steel to supply steel for eco-friendly structures of Hamdard

Agha Steel to supply 100 percent refined steel rebars, produced using Green Electric Arc Furnace steelmaking technology, for the first sustainable Eco-Friendly Green Office and University Structure of Hamdard Pakistan. Hamdard Pakistan has recently signed an agreement with Agha Steel to embark on a groundbreaking venture aimed at revolutionising the construction landscape in Pakistan.

Between the two prominent organisations, Hamdard Pakistan and Agha Steel Industries have outlined their shared commitment to fostering environmentally responsible construction practices.
This ambitious project seeks to promote sustainability and eco-friendliness by integrating 100 percent refined steel, produced through world-accredited technology Electric Arc Furnace, into the design and construction of eco-friendly green housing structures within Karachi.

According to details, Hamdard Pakistan is all set to build a magnificent corporate office for 400 employees and a University Block at Shahra-e-Faisal, poised to become the safest office and university complex building in the megacity.

Amreli Steel starts test phase of copper

The management of Amreli Steels Limited held a corporate briefing session on 16th Nov'23 to discuss the financial result of FY23 and future outlook.

Brief Takeaways

To recall, the company posted a loss after tax of PKR 678mn (LPS: PKR 2.28) in FY23 vis-à-vis a profit of 1,325mn (EPS: PKR 4.46), mainly due to depressed demand in tandem with higher borrowing cost.

Aluminum project is temporary put on hold, amid higher working capital requirements. However, the company has started a test phase in non-ferrous segment (copper). All other capex plans are put on shelves due to unstable economic situation.

The market share in FY23 for the company was recorded at 6%. Whereas, in South the market share is 20-25%.

Courtesy - AHL Research

TRAVEL WORLD

Earnest and Young-led consortium appointed FA for PIA

Privatisation Commission's Board has approved Earnest and Young-led consortium as financial advisor (FA) for evaluation of Pakistan International Airline Co Ltd (PIACL) assets with the purpose to privatise the entity by end January 2024.

Eight companies including three 'top listed 20 financial FA firms' responded to the request for a proposal to prepare plans for privatisation and bifurcation of the PIA into core and non-core entities. In a statement, it said that the FA appointment procedure was appreciated by the board members.

PHDL nominates officials for hotel deal

Pakistan Hotels Developers Limited (PHDL), the owner of Regent Plaza hotel in Karachi, said recently it had nominated two executives to finalise the sale of the property to Sindh Institute of Urology and Transplantation (SIUT) Trust, a leading healthcare institution.

In a notice to the Pakistan Stock Exchange (PSX), PHDL said its board of directors had authorised and nominated Muzaffar Baweja, CEO of the company, and Zubair Baweja, Managing Director of the company, to execute all necessary documents and sale agreements with SIUT Trust.

SIUT Trust, which provides a range of services, including urology, nephrology, and transplant surgery, and has a strong focus on research and education, said it wanted to acquire the hotel property on an "as is where is" basis, without any lien or charge.

PHDL, which is engaged in the hotel business and operates hotels known as Regent Plaza Hotel and Convention Centre, Karachi, said it had received the offer letter from SIUT Trust on Oct. 10 and was considering it.

Malaysian World Cargo Airlines allowed to undertake cargo services

The Federal Government has allowed Malaysian World Cargo Airlines to undertake cargo services to and from Pakistan; official sources in Ministry of Aviation told media.

The airline operates domestic flights within Malaysia and also on international destinations in Macau, India and Korea. The airline has a fleet of four Boeing 737 NG and F aircraft.

The Ministry of Aviation informed the Federal Cabinet that the Air Services Agreement (ASA) between Pakistan and Malaysia was signed in 1973 and that a Memorandum of Understanding (MoU) between the two states was signed in 2007,

and ASA provides for multiple airline designations.

Pakistan's Serene Airlines started its operations in China

Pakistan's private Serene Airlines operated its inaugural flight to Beijing, China recently. The flight originated from Karachi while stopping in Islamabad and then left for Daxing airport in Beijing. The maiden flight was received amidst a warm welcome ceremony.

Speaking at the inaugural ceremony, Caretaker Adviser to the Prime Minister on Aviation, Air Marshal (Retd) Farhat Hussain Khan HI (M), described the commencement of this flight operation as another milestone in advancing China-Pakistan relations through connectivity, travel and tourism. It also signified Pakistan's commitment to providing seamless travel facilities to the people of the two nations and fostering strong people-to-people ties.

On the occasion, Pakistan's envoy to China, Ambassador Khalil Hashmi, said that the launching of airline

services by the private sector will not only strengthen the air bridge between Pakistan and China but also boost investment, trade, travel and tourism. The new route is poised to facilitate increased business, tourism, and cultural exchange between the two nations, added the Ambassador. He noted that in addition to bolstering economic ties, increasing air connectivity aims to contribute to the growth of the tourism sector.

As part of the launch celebration, Serene Airlines hosted a ceremonial event at Beijing Daxin Airport, attended by government officials, diplomats and representatives from the aviation industry of China and Pakistan.