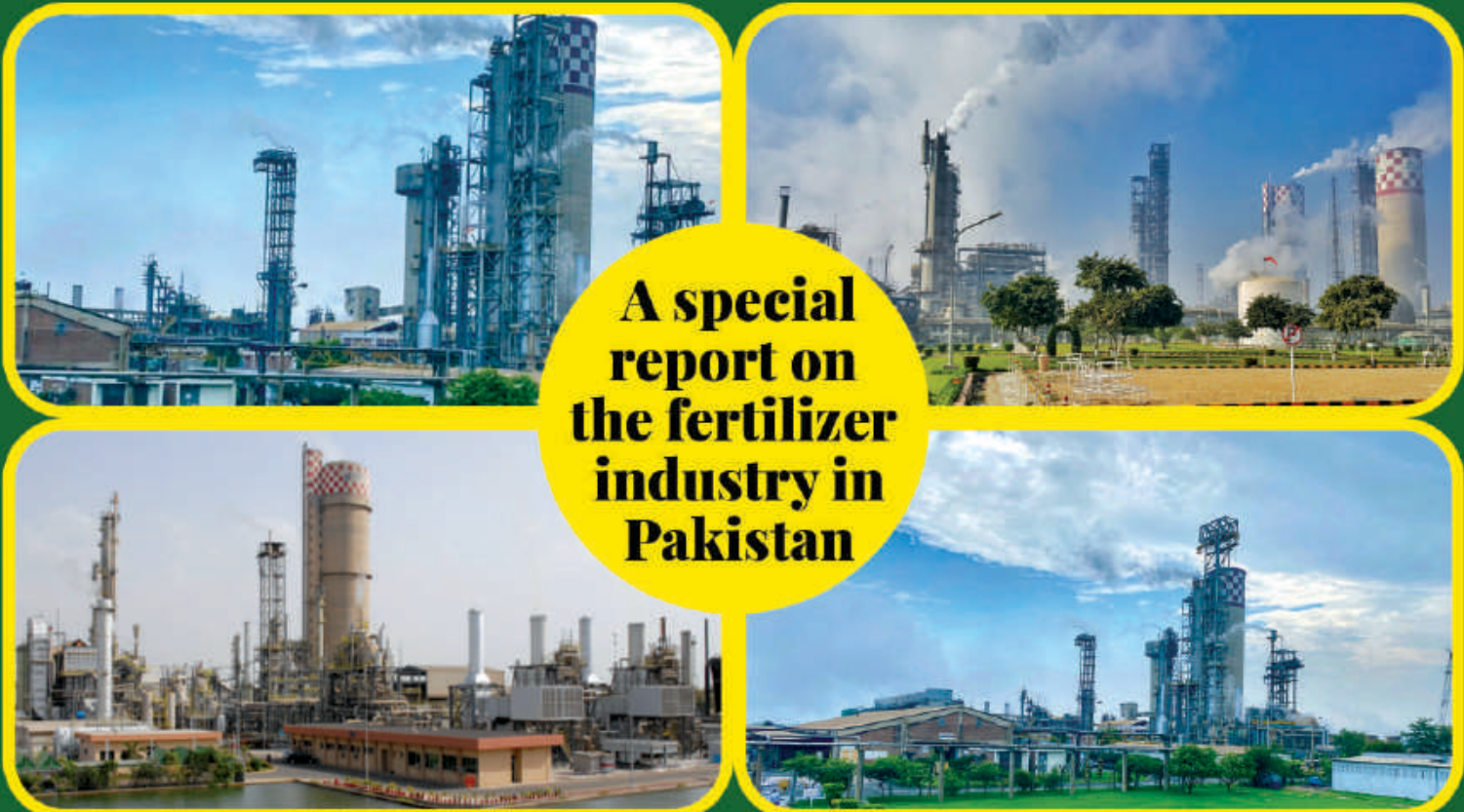


TRADE CHRONICLE

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



A special report on the fertilizer industry in Pakistan

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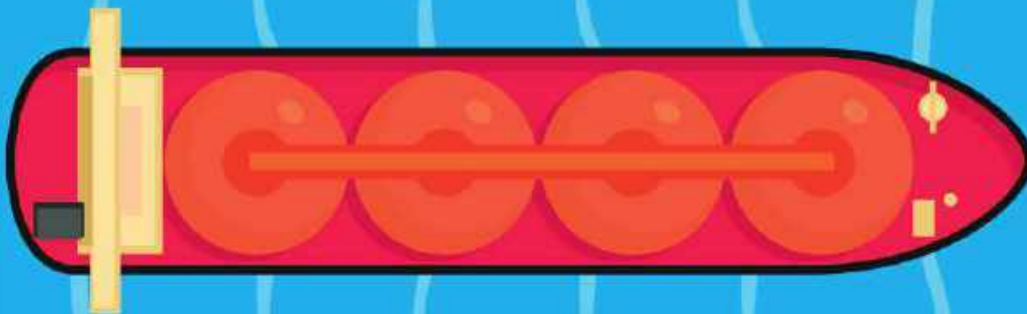




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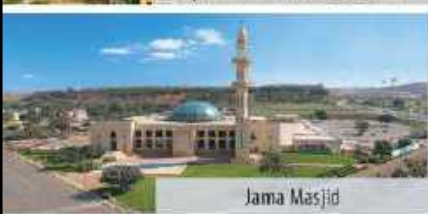
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❖ ————— ❖
We begin with the name of Allah the Magnificent
 ❖ ————— ❖

Economic challenges to the coalition government

The Election Commission of Pakistan conducted the 12th parliamentary elections with 44 political parties contesting for 265 seats in the National Assembly and simultaneously four provincial assembly elections on February 8, 2024. The public split mandate has created confusion and triggered intense politicking, as no party has won enough seats to form its government on its own, and every party was reluctant to lead the country. As usual, some parties accused the lack of transparency, rigging, and bias in balloting and stage protests, which continued. Pakistan's national assembly comprises 336 seats, and elections were conducted for 265 seats. The election for one seat was postponed after the death of a candidate. In contrast, the remaining seats (60 for women and 10 for minorities) were reserved for members of those groups and allocated based on the proportional representation of parties in the election results.

According to the Election Commission of Pakistan, the independents supported by now-jailed Imran Khan's party, Pakistan Tehreek-e-Insaf, secured 93 seats in the National Assembly. Pakistan Muslim League (Nawaz), headed by former Prime Minister Nawaz Sharif, attained 75 seats. The Pakistan People's Party, led by former Foreign Minister Bilawal Bhutto Zardari, obtained 54 seats. The Muttahida Qaumi Movement (MQM) made a noteworthy comeback, winning 17 seats in the polls, and has pledged full support to PML-N. Others secured the remaining 26 seats. We must add that Pakistan's economic challenges, particularly its fragile external and liquidity position and unsustainable budget deficit, are enormous, and the February 8 polls have failed to bring even a semblance of political stability needed to deal with them by producing a fractured mandate. However, the nation sighed in relief when the Pakistan Muslim League-Nawaz (PML-N) and the Pakistan People's Party (PPP) joined to form a government. Three times, PM Nawaz Sharif nominated his younger brother, Shehbaz Sharif, to fill the PM slot again for the second time. PPP's top leader, Asif Ali Zardari, may likely be Pakistan's next president for the second time; the opposition leader in the House would be from the Sunni Ittehad Council, joined by elected candidates of Pakistan Tehreek-e-Insaf (PTI) as they have to join any party by taking the oath.

Notably, people expect the elected government not to follow 100% in the footsteps of the interim government, which has enforced hard reforms on the recommendations of the IMF, resulting in a spike in electricity, gas, and oil product costs, making life miserable for the masses and industrial growth. The under-offing government would not make such an unpopular decision in meeting the terms and conditions of the IMF's fresh financial support program, resulting in more challenges ahead. Furthermore, in the presence of a stronger and more aggressive opposition, the nation's eyes will be on what it does to resolve the economic crisis, control inflation and unemployment, and rid the country of its debt burden. We hope that Mian Shahbaz Sharif will form a broad-based national government and immediately negotiate on soft terms for a new loan from the IMF to save the country from the financial crisis. Meanwhile, the Ministry of Finance has highlighted eight key fiscal risks that can increase vulnerabilities in Pakistan's economy, including macroeconomic imbalances, rising debt, guarantees, climate degradation, State Owned Enterprises (SOEs) losses, public-private partnership risks, provincial government's fiscal indiscipline and governance challenges.

On a note, country-leading economic experts believed that the immediate task for the new government would be to negotiate a larger programme of \$6bn to \$8bn for three to four years. The programme would require Pakistan to reduce losses of the state-owned enterprises (SOEs) and privatise some. Besides, the next set-up will be required to work on energy sector stability, debt sustainability, and fiscal deficit reduction by broadening the tax net and cutting unnecessary public expenditure to grow the country. It said the nation could expect economic stability only after an IMF deal was struck. Moreover, support from multilateral and bilateral countries like China, the United States, the United Arab Emirates, and Saudi Arabia also hinges on the IMF programme.

A country trapped in and dependent upon foreign debts can only be hoped to progress properly if governments and nations work properly and work hard for prosperity together, benefits all-inclusive for 250 million Pakistanis, like, for instance, Chinese people did.

***From the
editor's
desk***



Abdul Rab Siddiqi

ABDUL RAB SIDDIQI

Editorial Comments**The fertiliser industry and burring challenges**

Pakistan's fertiliser industry has a checkered history and provides basic input to meet farmers' pre-requests at lower prices than prevail in international markets. It has tremendous potential, having an annual capacity of over 6.5 million metric tonnes of urea to meet local urea demand. Still, a gas shortage and declining gas pressures and reservoirs have caused unsustainable production levels. But credit goes to manufacturers as they have devised a long-term sustainability plan, which includes the installation of gas compressors to improve the diminishing pressure and evaluating various alternate fuel options, including LNG, coal, SNG, power wheeling, etc, to ensure sustainable operations.

Pakistan's Oil and Gas Regulatory Authority (OGRA) recently notified a single gas price of PKR1,597/mmbtu (\$5.76) for both feed and fuel for the fertiliser plants, replacing the previous differentiated rates of PKR580/mmbtu (\$2.09) and PKR1,580/mmbtu (\$5.70), respectively. This change primarily affects fertiliser producers such as Engro Fertilizer, Agritech Ltd., Fatima Fertilizer and Fauji Fertilizer Bin Qasim Ltd on networks of two gas utilities in the country. Mari Gas networks are exempted.

IMS Research expects companies to raise their average urea prices by PKR1,300/bag (\$4.69) to mitigate the cost pressure. This was the second gas price hike in the 2024 fiscal year to meet the International Monetary Fund's (IMF) recommendation, which has demanded semi-annual revisions to gas prices to control rising gas circular debt. Some urea players show reservations about the upward revision of gas prices, as few players still enjoy the competitive prices on the Mari gas network.

On a significant positive note, the urea industry has grown by 0.3%, and the phosphates industry has grown by 34% in CY2023. About 1.5 million metric tonnes of DAP were sold in CY23. Local producers partly meet the DAP requirement, and the private sector imports the rest, while the government imports urea through the Trading Corporation of Pakistan (TCP).

Still, the fertiliser industry has shown some points of concern, and we hope the government will try to resolve their irritants, which could be possible with fiscal management and limited resources. The burning issues include sustainable local parity with the greenback, inflation, commodity prices, depleted FX reserves resulting in import restrictions and increased margin requirements for LCs. The foremost issue is the taxation. The super tax was enhanced from 4% to 10%. 5% (FED) was levied on all

fertilisers. A 5% sales tax (over and above FED) is imposed on DAP.

Especially in these challenges, the commendable act of the fertiliser industry is that when the urea shortage forced the government to import 220 KT for the Rabi season, the government could not subsidise this due to a financial crunch. EFERT and other Fertilizer players supported the GOP by uplifting ~75KT of urea at an imported price.

New gas exploration and import of pipe gas are crucial at this stage for the further development of the fertiliser industry. The fertiliser industry is closely monitoring the development of the Pak-Iran gas pipeline project after decades of delays. Iran laid the pipeline up to the Pakistan border. The Federal Cabinet Committee on Energy has recently given its seal of approval for laying gas pipelines within Pakistan.

The Iranian pipeline was aimed to supply 750 million cubic feet per day (MMCFD) of gas. According to the reports, the successful completion of this venture will enable Pakistan to circumvent a hefty fine of \$18 billion and promise to deliver access to cost-effective gas resources. We hope the United States sanctions on Iran will not further delay the project as the government hopes to get a green node. U.S. sanctions on Iran caused Pakistan to backtrack on the project.

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TEXTILE INDUSTRY

APTMA seeks to double textile exports in five years

The All Pakistan Textile Mills Association (APTMA) has devised a roadmap for the new government after general elections next month to take the country's textiles and apparel exports to \$50 billion from \$25 billion in the next five years, the industry body said recently.

"The textiles and apparel sector, being the largest contributor to the country's export earnings, possesses immense potential to drive Pakistan's economic resurgence and to position itself as a global leader in textiles and apparel", APTMA stated in a report representing a comprehensive and strategic roadmap towards realizing its vision.

By focusing on export diversification, expanding manufacturing capacity, and fostering a competitive environment, the textile body aims to double its export manufacturing capacity from \$25 billion to over \$50 billion annually over the next five years.

"This goal, while ambitious, is grounded in the reality of our capabilities and the untapped potential of our sector. This transformation is also critical, not just for the economic health of the sector, but for the overall stability and growth of Pakistan's economy."

It is one that requires us to leverage our strengths, confront our challenges head-on, and collaborate effectively across all levels of government,



industry, and international partnerships. However, achieving this vision will require concerted efforts to address key challenges such as uncompetitive energy prices, liquidity shortages, high borrowing costs, and bureaucratic inefficiencies.

The implementation of this policy agenda will demand unwavering commitment, innovative thinking, and collaborative action. It is a journey that we must embark on together – as an industry, as a nation, and as part of the global economy.

The textile body proposes that export diversification in the textiles and apparel basket to align with global market trends must be one of the top priorities of the government. A two-pronged approach must be taken in this regard.

"The first step is to eliminate distortions and opportunities for rent-seeking by rationalizing the import duty on PTA and PSF and removing the anti-dumping duties. This will allow the industry to import cheap and high quality PSF and focus on downstream value addition, without

having to invest billions of dollars in setting up PSF manufacturing capacity and increasing global value chain integration at the same time," APTMA said.

"Second, the government must facilitate investment in developing MMF-based manufacturing capacity that is discussed in greater detail in the following section."

APTMA also proposes that the government must engage international testing firms to facilitate domestic and foreign partnerships to increase the availability of testing facilities in Pakistan. "These facilities may be offered inside free commercial and industrial zones to facilitate agglomeration economies and well as create incentives for foreign testing firms to enter Pakistan, ultimately leading to knowledge transfers to domestic testing firms."

It also calls for improving the efficiency and procedures related to transport and logistics which can significantly offset these costs, leading to improved export competitiveness.

The textile body emphasizes the need for rationalizing power tariffs at levels that stimulate the economy and allow for sustained levels of higher power consumption and therefore higher power sector revenue.

It also suggests the rationalization of the taxation regime, export marketing, dwell times at ports, supply chain traceability, etc. to boost the textile and apparel exports.

H1FY24 exports down 4.97pc to \$8.283bn YoY

The country's textile group exports declined by around 4.97 percent during the first half (July-December) of the current fiscal year and stood at \$8.283 billion compared to \$8.716 billion during the same period of 2022-23, Pakistan Bureau of Statistics (PBS) said.

The country's overall exports during July-December, 2023 fiscal year 2023-24 totaled \$14.991 billion (provisional)

against \$14.244 billion during the corresponding period of last year showing an increase of 5.24 percent.

The total exports in December 2023 were \$2.822 billion (provisional) as compared to \$2.573 billion in November 2023 showing an increase of 9.68 percent and increased by 22.64 percent as compared to \$2.301 billion in December 2022.

The data on exports and imports released by PBS revealed that on a month-on-month (MoM) basis, textile

exports registered 6.15 percent growth in December 2023 and stood at \$1.399 billion compared to \$1.318 billion in November 2023. On a year-on-year (YoY) basis, textile exports increased by 3.33 percent in December 2023 when compared to \$1.354 billion in December 2022.

Cotton yarn exports increased by 54.25 percent during the first half of the current fiscal year as it stood at \$588.529 million compared to \$381.545 million during the same period of the last fiscal year.

Zardari and Shehbaz named to become President and Prime Minister of Pakistan

A Chronicle Report

General elections were held in Pakistan on February 8, 2024, to elect the members of the 16th National Assembly. However, the polarised poll result has stirred the political scenario. It caused much uncertainty about who would form the

central government, while provincial assemblies' results identified the largest party in all four provinces. The split mandate for brief period stopped the upward trajectory path in PSX and caused nervousness in the general public and business people.

A cursory look at election results tells that independent candidates ended up winning 103 seats, including 93 backed by the PTI, followed by 75 from the Pakistan Muslim League (N) (PML-N) and 54 from the Pakistan People's Party (PPP). In the Punjab and Sindh provinces, the PML-N and the PPP, respectively, emerged as the largest parties. Independent candidates backed by the PTI won the largest seats in Khyber Pakhtunkhwa, while Balochistan voted for the PPP and the PML-N as the largest parties.

However, in a breakthrough on February 20, after marathon meetings, the Pakistan Muslim League-Nawaz (PMLN) and Pakistan People's Party (PPP) finally secured a power-sharing agreement for a coalition government with Shehbaz Sharif as prime minister and Asif Ali Zardari as president for next five years.

The positive development was announced when PPP Chairman Bilawal Bhutto Zardari, former President Asif Ali Zardari, PML-N President and PMLN President Shehbaz Sharif shared brief details of the long-awaited

agreement at a press conference in Islamabad.

who will be the joint candidate for president."

Former President Asif Ali Zardari said their struggle is for Pakistan and ensuring future generations' prosperity.

To a question, Shehbaz Sharif said the PPP did not ask for any posts or ministries. "As far as the issue of constitutional offices is concerned, we will settle them

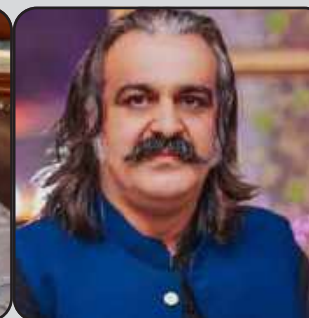
with consultations and consensus." Regarding the 16-month experience of the PDM government, Shehbaz Sharif said they managed to avert the hovering threat of default.

PPP Chairman Bilawal Bhutto Zardari said, "Compared to the past, we have announced the coalition and made decisions with consensus very quickly as compared to the previous tenures." He also hoped that the news of the PPP-PML-N coalition government would elicit a positive response from the markets.

When asked who would be the Speaker of the National Assembly and Chairman of the Senate, Bilawal said, "We have reached a breakthrough but will announce the offices later on as the people were not interested in these positions." He added that they want the government formation process to be completed.

Development on the provincial's front

PML-N nominee for the Punjab chief minister's slot, Maryam Nawaz Sharif. Pakistan People's Party (PPP) Chairman Bilawal Bhutto Zardari said that Murad Ali Shah would be the party's candidate for Sindh chief minister. The PTI Chairman Imran Khan nominates Ali Amin Gandapur as the next Chief Minister (CM) of Khyber Pakhtunkhwa (KPK). The Baluchistan nomination is awaited till the publication of the article.



Economic stability?

By Dr Hafiz Muhammad Usman Rana

Pakistan's economic recovery outlook is not promising. The recent election in Pakistan reflects a recurring pattern seen in many elections, where financial considerations are often disregarded in pursuing political power.

The country's major political stakeholders are currently prioritizing the development of a hung parliament or PDM-2 instead of focusing on the economy. There is also a division among the nation's economic experts regarding the best approach to managing Pakistan's economy.

Pakistan's challenges have intensified following the elections. The aspiring parties are open to accepting conditions from elected members that may not align with the IMF's expectations. Concerns over a potential political stalemate in Pakistan have triggered a sell-off in its international bonds and raised fears of economic setbacks and a lack of foreign funding.

Pakistan is grappling with substantial financial challenges, including a decline in foreign currency reserves and an upcoming \$1 billion bond payment. The funding programme with the IMF is scheduled to end in April 2024.

There is a risk of economic and ideological disagreements within a coalition government or a potential delay in negotiations with the IMF in the coming months. The question is: will the upcoming government provide much-needed economic stability to the country or lead to potential disaster?

Let's examine Pakistan's major challenges and possible solutions. According to the most recent World Bank policy notes, 40 per cent of children in Pakistan under the age of five face the issue of stunted growth. More than 75 per cent of Pakistan's 10-year-old children face challenges when it comes to reading and understanding simple texts.

Pakistan's tax revenue is significantly lower than other developing nations.

A significant number of farmers are not subjected to taxation as their land holdings are below the exemption threshold of 12.5 acres. Pakistan is also grappling with a challenging situation regarding the management of mass migration, as a significant number of highly skilled professionals have chosen to leave the country in search of better opportunities.

All these issues impede Pakistan's potential for prosperity and efforts to reduce poverty. The poverty rate in Pakistan is a pressing issue, and it has risen significantly in just one year, from 34.2 per cent to 39.4 per cent, according to World Bank data for 2023.



Poverty is a complex issue that extends beyond economic factors and encompasses social, political, and cultural dimensions. Thus, addressing poverty necessitates a holistic approach beyond economic strategies and encompasses a well-coordinated array of measures. In addition, mere economic expansion is inadequate for addressing poverty. The impact of growth on poverty is significantly influenced by changes in distribution.

When progressive distributional changes accompany growth, it can have a much greater effect in reducing poverty than growth that does not alter the distribution. Therefore, the upcoming government poverty reduction strategy must include policies that enhance the fair distribution of income and assets within society.

This can be achieved through initiatives like comprehensive economic reforms to enhance the fiscal framework, increased public spending on programmes that benefit people with low incomes, and measures to improve their access to financial markets.

This also includes generating more

revenue from non-filers and under-taxed sectors and improving public financial management. These measures will allow the government to allocate more funds towards social and development initiatives.

The issue of inflation persists, impacting the most vulnerable individuals. The State Bank of Pakistan must adopt a proactive approach to ensure that inflation levels return to a more manageable state. Pakistan also requires a market-determined exchange rate to cushion against external shocks, sustain the rebuilding of foreign reserves, and bolster competitiveness and growth.

The current account has recently displayed a surplus while the value of the rupee against the dollar has maintained its stability. However, this trend may change once imports start flowing again and there is a greater demand for dollars.

Another big challenge for the upcoming government is to tackle financial institutions with insufficient capital and maintain a watchful eye on the financial sector to uphold financial stability. Enhancing employment opportunities and promoting inclusive economic development in Pakistan necessitates ongoing support for the underprivileged through BISP and expediting necessary changes to improve the business climate and ensure fair competition for investors.

Establishing partnerships between the public and private sectors in Pakistan is crucial. These partnerships are essential for fostering innovation, building productive capacity for regional value chains, and facilitating joint activities across provinces. Finally, improving human capital can significantly impact Pakistan's economic fundamentals and reduce poverty.

To achieve these goals, it is crucial to focus on formulating and enforcing national economic development plans. If the upcoming government continues to make the same errors as before, it will be challenging to revive the economy.

Courtesy - The News

FERTILIZER & PETROCHEMICAL INDUSTRY

An outlook on the fertiliser sector of Pakistan

By Dr. Muhammad Nawaz Iqbal

The fertiliser industry significantly influences Pakistan's economy. It makes up around 0.9% of the GDP, or around PKR 100 billion, and about 4.4% of the large-scale industrial industry. Nearly 100,000 people are employed directly by the industry, and over 200,000 are employed indirectly by the transportation, marketing, and retail sectors.

It also brings in more than Rupees one hundred billion in tax revenue for the government. Although the industry has grown positively, it must contend with rising input costs, competition, and stringent environmental restrictions. However, it is progressing in resolving these issues by creating new technologies to lower production costs and collaborating with governments to create a more sustainable fertiliser policy.

Although regulatory instability makes the fertiliser industry in Pakistan unpredictable going forward, there are opportunities, such as the rising need for food and the increased emphasis on sustainable agriculture.

The two main fertiliser products used in the nation, urea and DAP, are handled by the private sector to a degree of around 90% and 100%, respectively. Over the last 30 years, fertiliser use has tripled. Over the next ten years, fertiliser nutrient consumption is anticipated to increase by two to three per cent annually.

One of its main advantages is the fertiliser industry's significant tax income contribution of about Rs. 100 billion to the government. This financial support further highlights the industry's significance within the national economy, which might go toward several public programs and services. However, the passage addresses current difficulties, like growing input costs, heightened competition, and stricter environmental regulations. These difficulties highlight the necessity of

changes.

A proactive attitude to tackling industrial challenges is demonstrated by efforts to develop new technologies to reduce production costs and cooperative actions with the government to implement sustainable fertiliser policies. This illustrates the industry's adaptability and resilience to changing environmental and economic conditions.

The unpredictable nature of unstable regulations may hamper the future expansion of the fertiliser sector. Due to this uncertainty, industry stakeholders may face risks and difficulties, necessitating negotiating a changing



regulatory landscape. However, the text also points out prospects, such as the rising food demand and the increased focus on sustainable agriculture. These developments offer opportunities for the industry to adapt to changing customer tastes and market dynamics.

Notably, the private sector controls the two primary fertiliser products, urea and DAP (90% and 100%, respectively). This market structure suggests that the public and private sectors must work together effectively to handle issues jointly and take advantage of chances for sustainable growth.

The text also highlights how fertiliser consumption has tripled over the past 30 years, highlighting the industry's

innovative
and
strategic
industrial

contribution to agricultural output. According to estimates for fertiliser nutrient consumption, the industry can grow at two to three percent per year over the next ten years. The expansion aligns with the rising global demand for food and highlights Pakistan's fertiliser sector's crucial role in promoting agricultural growth and food security.

Pakistan has advanced its agrarian industry by manufacturing fertiliser, concentrating on elements like fertiliser consumption, better seed distribution, credit distribution, and government support.

Achieving rapid and high rates of agricultural return mostly requires using fertilisers. Eight kilograms of grain, for example, are produced from one kilogram of nutritional fertiliser. The soil in Pakistan has low levels of phosphorus (80–90%), potassium (30%), and nitrogen (nearly total). To make the best use of fertilisers and other inputs to provide all the necessary nutrients, the best fertiliser output is called balanced fertilisation.

Pakistan must focus on making research and development investments to provide premium fertilisers tailored to different crops' unique requirements. Create specialised fertiliser blends to meet the nutrient needs of various crops and soil types. To create novel fertiliser compositions, such as controlled-release fertilisers that increase nutrient efficiency and lessen environmental effects, investigate and implement cutting-edge technology.

Reduce the environmental impact of fertiliser manufacturing by using sustainable and eco-friendly methods. This entails lowering greenhouse gas emissions, making the best available resources, and implementing greener production techniques. Invest in raising fertiliser production capacity to satisfy domestic and global demand. This may entail growing already existing production facilities or establishing new ones.

Engro Fertilizers announced a final cash dividend of Rs 8 in 2023

Engro Fertilizers Limited (Efert) has informed the Pakistan Stock Exchange Limited (PSX) that the Board of Directors of the Company, in their meeting held on February 15, 2024, recommended a final cash dividend for the year ended at Rs. 8.00 per share, i.e. 80%. This is in addition to interim cash dividends already paid at Rs. 12.50 per share, i.e. 125%.

On a consolidated basis, Engro Fertilizers posted a profit after tax of PKR 26.2 billion (PKR 16 billion in 2022) with earnings per share (EPS) of PKR 19.61 in 2023, mainly on the back of increased production from long-term reliability projects, cost optimization, efficient working capital management and higher interest income.

Engro Fertilizers, Pakistan's premier seed-to-harvest solutions provider, achieved record urea production of 2.3 million tons in 2023 to support the Government's efforts to ensure

affordable and abundant supplies for the farmers.

The company achieved this feat and continued to play a pivotal role towards enabling Pakistan's food security amidst the headwinds of tough macroeconomic conditions, the imposition of a higher super tax, and gas price hikes. Engro Fertilizers was additionally affected by the steep



Rupee devaluation as its 950,000 tons Base Plant supplies gas under Petroleum Policy 2012 pricing, which is dollar-pegged due to its linkage with crude oil rate.

Engro fertilizers' urea production surged by 18.3 per cent compared

to the year 2022 (1.95 million tons) due to the improved operational performance of both EnVen and Base Plants. Consequently, the Company's urea sales witnessed an uptick of 20.3 per cent to reach 2.32 million tons, while its market share also increased to 35 per cent.

In 2023, the robust domestic urea manufacturing industry enabled import substitution to USD 2.3 billion, including Engro Fertilizers' share of USD 835 million. Further, in 2023, the Company contributed nearly PKR 34.7 billion towards the national exchequer through Government taxes, duties, and levies, compared to PKR 11.6 billion last year.

To sustain domestic urea production levels and safeguard the food security of Pakistan, Engro Fertilizers and other major fertilizer manufacturers are investing heavily in the Gas Pressure Enhancement Facilities (PEF) project. The expected share of Engro Fertilizers' capital expenditure in this project is over USD 100 million.

FFC announces final results for FY2023

Fauji Fertilizer Company Limited (FFC) has announced its financial results for the year ended December 31, 2023 in its Board of Directors meeting held on January 26, 2024.

Urea production stood at an outstanding 2,521 thousand tonnes, 5 percent higher than last year while maintaining high reliability factors and optimum standards of health, safety and environment.

Profit after tax stood at Rs 29.67 billion and it includes Rs 17.1 billion of other income. The earnings in dollar terms, however, registered negative growth compared to 2021 and stood at the level of 2017.

FFC also continued its significant contribution towards the national exchequer through taxes and levies of Rs 36 billion compared to Rs 30 billion last year. The Company also enabled savings of around USD 1 billion foreign exchange to the Country via import substitution during 2023



with aggregate savings of around USD 4.8 billion during the last five years.

The company also declared the final dividend of Rs 4.10 per share, with an aggregate distribution of Rs 15.49 per share for the year 2023.

Profile of Rabel Sadozai in Fatima fertilizer



Rabel Sadozai is the first female Director of Marketing and Sales in Pakistan's fertilizer industry and agricultural sector. She holds an MBA degree from IBA Karachi and with over 23 years of diverse professional experience, has held several leadership positions in the petrochemical and

banking sectors prior to joining the fertilizer industry.

Her enthusiasm for innovation has been her driving force during her ten-year tenure at Fatima Fertilizer. She has propelled the company through many significant marketing milestones, including the proposal and successful implementation of Pakistan's first-ever National Farmer's Day, which is officially recognized by the Government of Pakistan and serves as a remarkable legacy for Fatima Group. Her work has not only received major acclaim locally but on prestigious

international platforms as well, which has positioned Sarsabz Fertilizers, the flagship brand of Fatima Fertilizer, to achieve a premium brand status. These include winning the MARCOM (USA) International Marketing Award in 2018, AVA Digital Award (USA) in 2019, the Pakistan Digital Awards (PDA) won by Fatima Fertilizer's 'Salam Kissan' campaign for three consecutive years 2020, 2021 & 2022, the Asian Experience Award (Singapore) conferred on the Sarsabz Kahani Web Series in 2022, and a dedicated case study related to Fatima Fertilizer's 'Salam Kissan' campaign published by Kotler in his book "Essentials of Modern Marketing" in 2022.

Courtesy - BR

HBL launched a new company, HBL Zarai Services, at Burewala in Punjab

HBL launched a new company, HBL Zarai Services, a significant step forward in Pakistan's agricultural development and food security, in Burewala recently. This aligns with Pakistan's strategic priorities and is under the visionary scope of the Aga Khan Development Network (AKDN).

HBL Zarai Services, a fully owned subsidiary of HBL, is Pakistan's pioneer agriculture-specialized extension services company. HBL Zarai Services aims to empower farmers and enhance productivity, efficiency, and profitability throughout the agriculture value chain by providing access to essential resources and expertise.

With a focus on sustainability and environmental stewardship, HBL Zarai Services seeks to promote responsible agricultural practices that ensure the long-term viability of farming communities and natural resources.

HBL remains grateful to the State Bank of Pakistan (SBP) and the regulators for the trust and confidence they have reposed in the Bank by opening this subsidiary.

The inauguration ceremony for HBL Zarai Services was attended by clients, regulators and senior executives of the Bank. The chief guest for the event was Dr. Inayat Hussain, deputy governor of SBP.

On the occasion of the ceremony marking the launch of HBL Zarai, Sultan Ali Allana, Chairman – of HBL, said, “We have been actively pursuing programs and introducing solutions for the growth

and progress of the Agricultural Sector since the privatization of the bank in 2004.

Al'Humdullilah HBL Group is today the single largest institutional provider of financial services for this segment of the economy, directly impacting over 350,000 farmers. With the formation and launch of HBL Zarai, Insha'Allah, we will be able to host advisory and input services along with offtake and

warehousing right at the farmer's doorstep through Deras – dedicated distribution and service centres etched among the heart of the farmlands, thus ensuring food security and income enhancement for the farming communities throughout the country.”

Ten more centres will be built in Punjab this year and fifty-five in three years to facilitate small to medium-sized farmers nationwide. HBL Zarai Services announced the provision of fertilizers at a controlled rate by the government.

Muhammad Aurangzeb, President & CEO – HBL, emphasized the Bank's unwavering dedication to sustainability, stating, “Pakistan's agricultural landscape stands at a critical juncture. While agriculture remains the backbone of our economy, its potential to drive growth and prosperity has yet to be fully realized.

HBL has long recognized the mutual relationship between economic progress, social development, and a thriving agricultural economy. HBL Zarai Services emerges as a beacon of hope, signalling our commitment to fostering positive change and promoting food security nationwide.”

Amer Aziz, CEO – of HBL Zarai Services, stated, “This unique venture positions HBL to lead in improving value chains across every economically significant sector, thus fostering sustainable agricultural practices and promoting food security nationwide.

The prime values that HBL Zarai holds will remain to raise farm yields and empower farmers by increasing their income levels. We will be guided by our vision of ‘We are who we serve.’”



Pakistan revised the gas pricing policy for fertilizer manufacturers

On February 15th, Pakistan's Oil and Gas Regulatory Authority (OGRA) notified a single gas price of PKR1,597/mmbtu (\$5.76) for both feed and fuel for the fertilizer plants, replacing the previous differentiated rates of PKR580/mmbtu (\$2.09) and PKR1,580/mmbtu (\$5.70), respectively. This change primarily affects fertilizer producers such as Engro Fertilizer, Agritech Ltd., Fatima Fertilizer and Fauji Fertilizer Bin Qasim Ltd on networks of two gas utilities in the country. IMS Research expects companies to raise their average urea prices by PKR1,300/bag (\$4.69) to mitigate the cost pressure.

This was the second gas price hike in the 2024 fiscal year to meet the International Monetary Fund's (IMF) recommendation, which has demanded semi-annual revisions to gas prices to control rising gas circular debt. The local industries and all apex trade bodies objected to the price hike and warned that it could lead to a closure of industries. Still, Pakistan's largest urea manufacturer – Engro Fertilizers, welcomed gas tariff revision as a step in the right direction. The Sindh-based urea producers termed

it a good decision, and the government has taken a bold first step by removing the subsidy for fertilizer manufacturers that get their gas from the Sui Northern Gas Pipeline Ltd (SNGPL) network, which represents 60% of all fertilizer manufacturing capacity.

Engro Fertilizer says that the government has increased feedstock prices from PKR 580/mmbtu to PKR 1,597/Mch, almost a 300% increase in the cost of producing fertilizer. While this is a step in the right direction, the battle is half won, as the remaining 40% of fertilizer manufacturing capacity on the Mari Gas network is still at the subsidized price of PKR 580/MMBtu.

Engro warned that Pakistan's current financial position is distressed; it is in a debt crisis, with the debt-to-GDP ratio already above 70% and more than \$27 billion of foreign debt to be repaid by November 2024. Therefore, in the country's national interest and to fix the problem at the source, Engro Fertilizer urged the government to completely remove all fertilizer subsidies from the sector. Only with the complete removal of this debt can the government free the nation from this debt and truly



benefit the people of Pakistan.

Engro believes that with this complete removal, the government is expected to collect PKR 150 bn (\$541.24 mn), which can be used for targeted agricultural projects and initiatives that generate economic activity and growth in the country. Engro expressed hope that this is a fantastic opportunity for all fertilizer manufacturers to demonstrate that even without subsidized gas, they are globally competitive. When everyone has the same gas price, it will encourage the manufacturers to become more efficient and lean and promote capital investment in the fertilizer industry. In addition, the fertilizer industry will emerge as a role model that can operate efficiently without any subsidies, thereby encouraging the government to look at removing subsidies from other sectors of the economy as well.

A Chronicle Report

FFBL posts 48pc drop in full-year profit

Fauji Fertilizer Bin Qasim Limited (FFBL) reported a 48 percent net profit for 2023. The company profit fell to Rs4.15 billion from Rs8 billion a year earlier, a filing to Pakistan Stock Exchange showed.

Analyst attributed the fall in profit to the loss in Pakistan Maroc Phosphore S.A (PMP),



a joint venture between FFBL and Morocco's Office Cherifien des Phosphates (OCP), which produces phosphoric acid, a key raw material for DAP.

The company's revenue rose 21 percent to Rs221.61 billion, as it sold more DAP and benefited from higher domestic prices. Gross

profit increased 25.4 percent to Rs44.28 billion, while other income more than doubled to Rs7.63 billion, mainly due to higher dividend income from associates and subsidiaries. However, FFBL's expenses also rose, as distribution and selling costs jumped 30.4 percent to Rs14.96 billion, and finance costs surged 51 percent to Rs12.63 billion, due to higher interest rates and inventory carrying costs. The company's tax expense also increased 63 percent to Rs12.98 billion.

Two main cropping seasons

Crop-wise fertiliser, Pakistan has two cropping seasons, "Kharif" is the first sowing season from April to June and is harvested from October to December. Rice, sugarcane, cotton, maize, moong, mash, bajra and jowar are "Kharif" crops. "Rabi", the second sowing season, begins in October-December and is harvested in April-May. Wheat, gram, lentil (masoor), tobacco, rapeseed, barley and mustard are "Rabi" crops. Pakistan's agricultural productivity is dependent upon the timely availability of water.

The total cropped area in Pakistan is about 22.2 million ha. The share of food grain crops is 54 percent, followed by cotton and sugar cane 20 %; pulses 6 %; oilseed crops 3 %; fruit/vegetables 4 % and other crops about 13 %. Wheat is the main food crop.

It occupies about 36.3 % of the total cropped area, followed by cotton with 14 %, paddy with 9.5 %, sugar cane with 4.5 %, maize with 4.5 % and other crops with 20.8 %. According to the fertiliser use survey, five major crops: wheat, cotton, sugar cane, rice, and maize account for about 87 % of

fertiliser consumption.

Wheat accounts for about 45 % followed by cotton with a share of 23 %. Sugar cane is the third crop; nutrient use per ha is highest on this crop. The share of fruit and vegetables is 5.6 %.

The yields of the major crops are below their agronomic and genetic potential. Researchers, extensionists, and policy planners agree that yields could be increased by 30 to 40 % given the necessary resources and inputs.

A Chronicle Report

PORTS, SHIPPING & RAILWAYS

Dubai and Pakistan to cooperate on rail, economic zones & infrastructure improvement

The governments of Dubai and the Islamic Republic of Pakistan have signed two Inter-Governmental Framework Agreements to strengthen their relations in the marine and logistics sectors, including the potential establishment of a Dedicated Freight Corridor and Economic Zone near Karachi.

The agreements were signed at the World Economic Forum in Davos, Switzerland, by H.E. Shahid Ashraf Tarar, Federal Minister of Communication, Railways and Maritime Affairs, Islamic Republic of Pakistan, and Sultan Ahmed bin Sulayem, Chairman of Ports, Customs and Free Zone Corporation (PCFC), Government of Dubai.

DP World will act on behalf of the Dubai Government. In contrast, state-run Pakistan Railways and Port Qasim Authority will act on behalf of the Pakistan Government to develop the projects.

Dedicated Freight Corridor

The Dedicated Freight Corridor will run from Karachi Port on the Arabian Sea, passing through Karachi, Pakistan's most populous city, to the Pipri Marshalling Yard, approximately 45 km away. This will improve efficiency and transport times and reduce the overall cost of logistics.

Agreement signed to outsource 7 KPT berths to UAE entity

Caretaker Prime Minister Anwaar-ul-Haq Kakar, witnessed the signing of a commercial agreement between Karachi Port Trust and Abu Dhabi Ports Group of UAE.

Caretaker Minister for Communication, Railways and Maritime Affairs Shahid Ashraf Tarar along with other senior officials from Pakistani side and Minister of State for Foreign Trade UAE Dr Thani Bin Ahmed Al Zeyoudi, Hamad Obaid Ibrahim



Qasim International Container Terminal

A second framework agreement was signed with Pakistan's Ministry of Maritime Affairs to dredge the navigation channel. DP World will carry out the capital dredging on behalf of the Government of Dubai.

Development of Economic Zone

This framework agreement will also see the development of an economic zone at Port Qasim, which aims to attract more than US \$3 billion of foreign direct investment. DP World, on behalf of the Government of Dubai, will develop the economic zone to maximise economic activity in Pakistan.

DP World began operations in Pakistan in 1997 at the Qasim International Container Terminal (QICT) – the first

of its kind– and has since transformed the facility into a leading gateway for global trade.

At the signing ceremony, H.E. Sultan Ahmed bin Sulayem, Chairman of PCFC and Group Chairman and CEO of DP World, said: "Pakistan is a growing market and an important trade corridor to Central Asia. We are proud to have contributed to its trading ability through our Qasim International Container Terminal operations.

We are honoured to work with various Pakistani government organisations to develop new

freight systems and with the Port Qasim Authority to enhance port connectivity and investment. These will help serve Pakistan's growing population, forecast to approach 300 million in the coming decade, and integrate it further into the wider region."

H.E. Shahid Ashraf Tarar, Federal Minister of Communication, Railways and Maritime Affairs, said: "DP World has a long-standing proud presence in Pakistan, witnessed by mutually rewarding engagement.

Building on the unwavering trust and partnership, the two brotherly countries have decided to consolidate their economic cooperation through landmark projects. The signing of Investment Framework Agreements highlights the importance of Pakistan as a gateway to Asia and commercial dividends associated with its strategic location".

Salem Al-Zaabi, UAE Ambassador to Pakistan along with other senior officials from UAE side were present in agreement signing ceremony.

The Prime Minister's Office said that this is a commercial agreement for Outsourcing of Operations of Bulk and General Cargo Terminal at seven berths of East Wharf Karachi Port.

The agreement aims to strengthen bilateral relations in marine and



logistic sectors of Pakistan and the UAE. The prime minister expressed his satisfaction over the growth of exchanges, interaction and cooperation between businesses in Pakistan and the UAE.

KICT celebrates 25 years of operations

The Hutchison Ports KICT celebrates 25 years of hard work in Pakistan. On the occasion Eric Ip Group Managing Director Hutchison Ports has congratulated Karachi Port Trust and Hutchison Ports KICT on this remarkable occasion of 25th anniversary and for handling 15 million TEUs since inception.

As the world's leading port operator, Hutchison Ports is committed to playing a significant role in the economic development of countries in which the operate. Our very presence paves the way for any country to have international trade with the rest of the world.

It has been more than 20 years since our presence in the Middle East and South Asia region, and Pakistan is a

very important market for Hutchison Ports. Our commitment is underscored by a substantial investment of US\$2.0 billion in diverse projects within Pakistan.

Hutchison Ports has not only fueled KICT's success but has also generated significant economic value for Pakistan. This economic passes substantial investments, fostering local maritime talent, and concession related payments.

Notably, our investment of over US\$ 250 million in Hutchison Ports KICT has been dedicated to upgrading



equipment and civil structures, elevating the port's capabilities.

looking forward, as a leader of the industry, Hutchison Ports has been demonstrating a pivotal role in facilitating the economic growth of Pakistan, as well supporting the development of Karachi Port into a major hub for trade and transport in Asia. The journey of KICT will continue to be a success.

SIFC takes notice of the delay in the LNG terminal project

The Special Investment Facilitation Council (SIFC) has taken up the issue of inordinate delays in the LNG terminal project at Port Qasim, Karachi, being developed by Global Energy Infrastructure Pakistan (GEIP), which blamed the authorities for causing hurdles in the way of smooth execution of the project.

SIFC has convened a meeting on January 9 to look into the issue of the project after GEIP communicated the council about the delays in the project due to actions and policies of Port Qasim Authority (PQA) and Oil & Gas Regulatory Authority (OGRA).

GEIP is developing an integrated LNG project, consisting of supply of



LNG/RLNG to bulk customers and construction and operation of an LNG receiving terminal project at Port Qasim, Karachi.

For which, it has procured land from PQA, obtained all NOCs and maintained a bank guarantee of \$ 1 million. The project is being developed as a private-to-private undertaking at the owner's risk and cost, requiring no

guarantees or capacity payments from the government of Pakistan, for which \$ 20 million have already been spent on the project, the official letter of the company written to SIFC stated.

It said that imported LNG shall be delivered to customers via pipelines in the South, where capacity permits, and via a virtual pipeline to others.

Power China has partnered with the project and envisioned to undertake the EPC, along with running technical operations of the terminal, once constructed.

They have also committed to financial arrangements, through short-term bridge financing and bringing other investors from the energy sector.

Courtesy - The News International

Engro Elengy seeks SIFC intervention to expand the LNG terminal

Engro Elengy Terminal Limited (EETL), a joint venture between Engro Corporation and Royal Vopak, has asked the Special Investment Facilitation Council (SIFC) to help resolve the issues with Sui Southern Gas Company (SSGC) over expanding its liquefied natural gas (LNG) import terminal.

The EETL has sought the intervention of SIFC to address the concerns raised by SSGC regarding Third Party Access

EETL has been operating Pakistan's first LNG import terminal (through its wholly owned subsidiary Engro Elengy Terminal (Private) Limited) since 2015. It has handled 33 million tonnes of LNG, 68 percent of all LNG imports of Pakistan since inception

(TPA)
a t
EETL.



and is considered as one of the highest utilized LNG receiving terminals in the world.

General Shipping Agencies (Pvt) Ltd: Navigating Success in Pakistan's Maritime Landscape



Charting Success

In 1974, Mr. Anver M. Rajpar laid the foundation for General Shipping Agencies (Pvt) Ltd (GSA), establishing a legacy in which the company is synonymous with excellence in the maritime sector. With a history spanning nearly five decades, through subsidiary and allied companies, has been at the forefront of pioneering shipping-related activities in Pakistan, earning several "firsts" to its credit. For example, a group company was the first terminal operator at Port Qasim, whilst another was the first to automate handling of bulk wheat at Port Qasim. GSA has the distinction of handling the first FSRU located at Port Qasim thus playing a role in bringing LNG into Pakistan.

Led by Mr. Mohammed A. Rajpar since 1993, based on the guiding principle of reliability and total satisfaction for the customer, the company currently represents several ship owners and operators of international repute, earning the recognition and trust as one of the leading maritime enterprises in local and international circles.



Pakistan's shipping sector is highly documented



Pakistan Ship's Agents Association (PSAA) is surprised to see the one-sided local media press coverage of the stakeholders/people in the business meeting

held at KPT on 11th January 2024, which the Chairman, KPT, chaired. The media coverage was presumably based upon a press release issued by KCCI without consultation with PSAA to seek the views of other parties/stakeholders, which is contrary to reporting norms.

The PSSA added that KPT is a landlord port, not a regulator; therefore, Shipping Lines/Agents are not bound to report to KPT or subject to being regulated by KPT. The shipping sector of Pakistan is a highly documented sector reporting to the State Bank of Pakistan, Tax Authorities, Pakistan Customs, etc.

Pakistan Customs duly licenses Shipping Lines/Agents operating in Pakistan and charges their customers as per their respective tariffs, which are easily available online. Any outward remittance from Pakistan is checked and authorised by SBP; hence, SBP, not KPT, is the appropriate regulator. As for

KCCCI's demand for uniform charges, equivalent to cartelisation, PSAA and its members are bound by the Competition Commission of Pakistan and its related laws.

Lastly, it is pertinent to note that Pakistan's trade is wholly dependent on foreign shipping lines; hence, the kind of allegations and irresponsible statements levelled by KCCI and unduly supported by KPT impact foreign shipping lines' interest in operating in Pakistan, thereby jeopardising Pakistan's trade and further cementing the country's reputation as an unfriendly destination for foreign businesses.

In historic first, shipment under the TIR convention cleared

In a historic development, Pakistan Customs in coordination with National Logistic Corporation (NLC) cleared the first-ever shipment under the multi-modal TIR convention to Ashgabat, Turkmenistan. This paves the way for Pakistan to emerge as a prominent regional player and transit hub.

According to the details, the ceremony marking the occasion was held at Qasim International Container Terminal (QICT). The first multi-modal TIR consignment arrived by

sea from Nansha, China and will now traverse land route to reach its destination - Ashgabat, Turkmenistan.

Speaking at the event, Director General Transit Trade Wajid Ali expressed commitment on part of Pakistan Customs to facilitate regional and international transit as per international best practices. He commended the roles of NLC, Port Qasim Authority and QICT. The initiative is expected to boost Pakistan's exports and trade.

Chairman FBR Malik Amjed Zubair



Tiwana and Member Customs-Operations Dr. Farid Iqbal Qureshi have also extended full support to position Pakistan as a preferred route for trade flows. With the launch of multi-modal TIR shipments, Pakistan is gearing up to unleash its true potential as a transit hub.

DP World launches global platform as part of \$35 million investment in education

DP World has launched its Global Education Platform, a new resource for students and educators in science and logistics, as part of a \$35 million (AED128.5) commitment to educational initiatives by 2030.

The Global Education Platform offers over 15 tailor-made, free-to-use resources and e-learning courses for students aged 11-18, educators and employees. Aligned to the United Nations' Sustainable Development Goals (UN SDGs), the resources emphasise green, digital, STEM (Science, Technology, Engineering and Mathematics) and logistics skills.

DP World has forged key partnerships with organizations such as the Jane Goodall Institute, WaterAid, Minding MyWaste and Blue Marine Foundation. These collaborations enrich the platform with valuable resources,

ensuring a comprehensive and diverse educational experience.

The platform is designed to demystify the logistics sector, shedding light on the skills essential for success at companies like DP World. It includes guides, training materials, and a unique opportunity for students to earn DP World's industry-recognised Certificate in Terminal Operations (CTO) qualification for free supporting their personal and career development.

Teach for All collaboration

DP World is also collaborating with Teach for All, a global network of more than 62 independent, locally led organisations and a global organisation united by a commitment to developing collective leadership to ensure all children can fulfil their potential. Under this partnership,



Teach For All and its network partners will work to ensure that students and teachers are equipped with the future skills necessary to thrive in a changing job market through its Future of Work initiative. The work will focus particularly on South Africa, Senegal, Argentina and Pakistan where DP World has extensive operations – to collectively provide training and resources on climate education and skills for young people.

Through its education strategy, DP World aims to reach 1.5 million students by 2030, with a focus on increasing knowledge transfer and skill development, especially among women and girls.

NIMA organised a seminar on 'IMO's Obligations of Reducing Harmful Emissions at Sea

NIMA organised a seminar on 'IMO's Obligations of Reducing Harmful Emissions at Sea – Pakistan's Response and Challenges' on 31st Jan 24. As the Chief Guest, V/Adm Abdul Aleem, former DG of NIMA, graced the

occasion.

He emphasised that the road ahead to achieve greener shipping in line with IMO GHG Strategy-23 is challenging but can be overcome by strategic planning and systemic capacity building.



President NIMA, in his welcome remarks, highlighted that in the era of "Climate Emergency", the responsibility of

every sector has increased manifold. Mr. Camille Bourgeon, Tech. An IMO, London officer highlighted the need for early ratification of MARPOL Annex VI by Pakistan as it has already ratified the earlier five annexes. He also assured the gathering that IMO would render full technical support. Ms Alia Shahid, DG Ports & Shipping, MoMA, clarified that a roadmap had been chalked out for its ratification in an early time frame.

Cdre Irfan Taj from PNSC presented an elaborate plan for how PNSC will replace its ageing fleet in the next thirty years. He also mentioned that existing ships have already shifted to low-carbon fuel.

CEMENT INDUSTRY

Pakistan exhibits a mixed trend in cement dispatches during January 2024

Total cement dispatches declined by 14.79 per cent in January 2024 to 3.414Mt against 4.006Mt in January 2023. Out of this aggregate, local cement dispatch shares stood at 2.967Mt compared to 3.588Mt in January 2023, showing a decline of 17.30 per cent. The exports dispatch, however, increased by 6.82 per cent as the volumes increased from 418,067t in January 2023 to 446,595t in January 2024. A spokesman of the All Pakistan Cement Manufacturers Association (APCMA) informed the government about the serious implications of the new axle load regime, due to which the loading capacity of vehicles is significantly reduced, leading to operational inefficiencies and increased inland transportation costs as well as freight, handling, and shipping costs for export consignments. All these factors will pressure cement prices, likely resulting in high costs to domestic consumers and adverse effects on export fronts. He added that the Association has repeatedly requested concerned government quarters to review the new axle load regulations and address the related industry concerns on priority.

On a different tone, Usama Rauf, the investment analyst at AKD Securities, said the decline in dispatches can be attributed to a slowdown in private construction due to rising construction costs and a halt in public projects amidst elections. The annual decline is also attributed to the high base set in the previous year, marked by increased offtakes post-flood. Furthermore, local sales were affected by raised prices following axle load implementation. Exports encountered challenges

with heightened freight premiums amid the Red Sea crisis. Furthermore,

while markets expect total cement dispatches to increase by 2-3 per cent YoY in FY24 (driven by improvements in exports), the persistence of the Red Sea crisis and higher sea freight costs could potentially result in flat YoY dispatches for the current year.

Two zones dispatch pattern

In January 2024, North-based cement mills dispatched 2.434Mt of cement, showing a decline of 15.83 per cent against 2.892Mt of dispatches in January 2023. South-based mills dispatched 979,970t of cement during January 2024, 12.08 per cent less than the 1.115Mt dispatched during January 2023. North-based cement mills dispatched 2.385Mt of cement in domestic markets in January 2024, showing a decline of 16.50 per cent against 2.856Mt of dispatches in January 2023. South-based mills dispatched 582,258t of cement in local markets during January 2024, which was 20.43 per cent less than the dispatches of 731,747t in January 2023. Exports from North-based mills increased by 38.81 per cent as the quantities rose from 35,215t in January 2023 to 48,88t in January 2024. Exports from the South slightly increased by 3.88 per cent to 397,712t in January 2024 from 382,852t during the same month last year.



Cumulative dispatch tendency in 7MFY24

During the 7MFY24, total cement dispatches (domestic and exports) were 27.296Mt, 5.92 per cent higher than 25.770Mt last fiscal year. Domestic dispatches during this period were 23.196Mt against 23.618Mt during the same period the previous year (SPLY), showing a reduction of 1.79 per cent. Export dispatches showed a healthy increase of 90.49 per cent as the volumes increased to 4.1Mt during the 7MFY24 compared to 2.152Mt of exports during the last fiscal year.

North-based Mills dispatched 19.157Mt of cement domestically during the 7MFY24 of the current fiscal year, showing a reduction of 1.14 per cent from cement dispatches of 19.378Mt from July 2022 to January 2023. Exports from the North increased by 33.71 per cent to 820,056t from July 2023 to January 2024, compared with 613,289t exported during the same period last year. Total dispatches by North-based Mills remained almost flat at 19.977Mt during the 7MFY24, down from 19.991Mt the previous financial year. Domestic dispatches by South-based Mills from July 2023 to January 2024 were 4.039Mt, showing a reduction of 4.74 per cent over 4.240Mt of cement dispatched during the last fiscal year. Exports from the South massively increased by 113.11 per cent to 3.279Mt from July 2023 to January 2024, compared with 1.539Mt exported during the same period last year. Total dispatches by South-based Mills increased by 26.65 per cent to 7.319Mt during the 7MFY24 from 5.779Mt in the previous financial year.

Courtesy - CemNet

Saudi Cement industry anticipates growth in demand



Saudi Arab cement industry anticipates strong demands due to the announcement of different infrastructures nationwide. This is also drawing foreign direct investment in cement and allied industries.

According to Finland-based Terra Nova Capital, the fund substantially invested in a \$1.5bn cement producer in Saudi Arabia during January 2024, which could benefit from an exceptionally strong long-term demand outlook in light of the massive pipeline of megaprojects in the country along with construction activities for the Expo 2030 and 2034 FIFA World Cup.

The unidentified cemnet firm has recently transferred its old factory out of Riyadh. The vast 4.7m sqm land plot under the old factory – which the company fully owns – will soon become available for sale or joint venture real estate development. The market price of this land in Riyadh is over \$1bn, or more than two-thirds of the company's market cap! A lot of shareholder value is waiting to be unlocked soon.

A surge in Afghan coal prices impacts cement production costs in northern Pakistan

A spike in Afghan coal prices has affected the cost of cement production in northern Pakistan. There are twenty cement lines in Punjab and KPK (Northern Zones) out of twenty-six in Pakistan. JS Research reports that the northern players in Pakistan's cement industry are facing the challenge of high production costs due to a recent spike in imported coal prices. The cost trade-off between Afghan and international coal remains dynamic, leading to difficulties for the industry. The Northern region players face costs of around PKR53,000t for Afghan coal, while local coal prices have also experienced a notable surge. Most northern participants face

costs ranging between PKR40,000t and PKR42,000t for domestic coal. In addition, the adjustment in axle load requirements has resulted in higher freight costs, with transportation expenses from Karachi port to northern regions exceeding PKR10,000t.

On the other hand, South African coal prices have declined by 50 per cent calendar year to date due to dull global demand. Prices have been low for most of 2023, and the subdued demand outlook results from concerns about a prolonged global economic slowdown and stricter carbon emission targets in countries that produce coal in the years ahead. Richard Bay coal (RB3) is

now less expensive than Afghan coal prices, but this benefit can only be fully availed if import restrictions remain sustained and freight costs do not increase further. Southern players are at an advantage due to their proximity to the seaport.

Outlook

The slowdown in construction activities due to uncertain economic and political situations, high inflation, and high financing costs make it difficult for cement manufacturers to fully pass these costs on to customers. Moreover, the recent upsurge in Afghan and local prices, combined with increases in power and gas tariffs, could exert pressure on the profitability of cement companies.

Red Sea crisis on Pakistan's cement industry



Pakistan closely monitors the Red Sea crisis as it could disturb the movement of cement export cargoes to the USA and Europe and coal imports at Pakistani ports. It is also feared that any trade re-route would spark new inflation and supply chain disruption worldwide and in Pakistan.

IMS Research, in a situation review report, warned that escalating tensions in the Middle East have begun to exert a notable influence on global trade, with Yemeni Houthi actions targeting commercial vessels leading to disruptions in maritime traffic. This development has resulted in a substantial surge in freight

charges as shipping companies opt for longer routes to avoid the Red Sea, consequently impacting various sectors. Additionally, the heightened tensions in the region have the potential to trigger a commodity super-cycle driven by rising oil prices, contributing to increased inflationary pressures.

The top commodities shipped yearly via the Red Sea & Suez Canal include crude oil, LNG, chemicals, coal, etc. Approximately 21,000 vessels carrying cargo each year pass through the Red Sea & Suez Canal route. But with recent attacks on vessels, it is estimated that approximately 40-50% of the ships have diverted away from this route amidst rising security concerns. If this issue persists, it may spur another commodity super cycle on the back of increasing freight charges due to re-routing via Africa and possible shortage

of commodities amid longer lead time, increasing global prices. If this issue persists, in the case of Pakistan, then this could impact the oil and gas sector positively, while negatively impacted sectors on account of supply chain disruptions could include Fertilizers, Textiles, Chemicals, Steel, & Cement.

Cement Sector – (Negative)

Suspended operations in the Red Sea challenge the viability of cement exports and may result in increased costs of imported coal. The extended travel time of 9 days for DGKC exports to North America makes it difficult for the company to continue exporting to that region, in experts' view. Moreover, the risk of higher imported coal could adversely affect South-based players, which rely more on imported coal.

Courtesy - CemNet

Pakistan extends the deadline for T&T implementation for cement sector



The Federal Board of Revenue (FBR) has launched the Track and Trace Solution which was to be rolled out across the Tobacco, Cement, Sugar, Fertilizer, Beverages, POL products and Steel Sectors from 1st July 2021 in Pakistan to enhance tax revenue, reduce counterfeiting and preventing the smuggling of illicit goods through the implementation of a robust, has extended the deadline for cement manufacturers to fully implement the Track and Trace System by April

30, 2024. According to a local report, the last date to implement the T&T System in the cement sector was December 31, 2023. The cement sector could not comply with the December 31, 2023 deadline. The system was implemented at one production line of each manufacturing company, but the system was installed at only some production lines.

Recently, the cement industry met with the FBR chairman at the FBR Headquarters to review progress on the track and trace system. The industry conveyed its reservations over the issues in the smooth implementation

of the system at all cement plants. The industry sought more time for full-fledged implementation of the system. A new deadline of April 30, 2024, has been given to the cement units.

According to sources, cement bags will only be permitted to leave a production site, factory, or manufacturing plant if tax stamps/unique identification markings are applied from April 30, 2024. With assistance from its Licensee Authentix Inc., US, and consortium partners AJCL Private Limited and MITAS Corporation of South Africa, the FBR has been striving to implement the T&T solution in the cement sector since July 1, 2021.

Pakistan's cement exports have consistently increased in the past few months

Pakistan's cement industry has registered significant growth in bring-home export revenue on dispatches of cement and clinker exports in terms of value in dollars and quantity during the first six months of FY23-24 (July-December 2023) due to the continued good rate of the Pakistani rupee against foreign currency and other factors.

Pakistan's cement and clinker exports increased by around 58.77 per cent in the 6MFY23-24 to US\$135.92 (3.503Mt), compared to US\$85.61m (1.71Mt) in the 6MFY22-23, the Pakistan Bureau of Statistics (PBS) said. In terms of volumes, exports increased by 104.50 per cent YoY in the same period. In Pakistani rupee terms, the export revenue saw a significant growth of

103.27 per cent to PKR39.07bn during this export period, sustained by the local currency's competitive rates against the US dollar.

The data on exports and imports released by PBS revealed that MoM, cement and clinker exports registered a 4.86 per cent advance in terms of value in December 2023 to US\$21.92m (572,568t) from US\$20.91m (525,281t) in November 2023. The dispatch



volumes, the MoM, saw an increase of 9 per cent. On a more positive note, the YoY cement export data depicts a healthy picture, increasing by 151.11 per cent in value and 245.351 per cent in volume compared to data from December 2022 (US\$8.73 at 165,792t).

Expert comments

According to AHL Research, exports showed a massive growth of over 150 per cent YoY during December 2023 due to a rise in exports mainly from the south amid lower domestic demand for cement, which resulted in south manufacturers focusing on exports. Additionally, North-based exports rose by 40 per cent YoY on the back of rehabilitation activity picking up in Afghanistan.

Courtesy - CemNet

Lucky Cement showcases a hefty 92% jump in 1HFY24 profit YoY

Lucky Cement Limited (LUCK) posted its financial result for 1HFY24 at the Pakistan Stock Exchange (PSX) on 26 January, wherein the Company announced unconsolidated earnings of PKR 13.710bn, showcasing a hefty jump of 92 per cent YoY. The gross sales increased to PKR 79.26bn from PKR58.70bn during this period.

Projects:

The company has decided to undertake a wind power project 28.8MW at the Karachi plant. The project is expected to be completed by 1QFY25. The company is expected to increase solar capacities at the Karachi and Pezu



plants by 6.3MW and 6MW, respectively. This will take solar capacity to 74.3MW. Lucky completed its second buyback and purchased 20.4mn ordinary shares out of the initial announcement of 23.8mn.

Cement Industry & Company's Performance

The local cement demand in Pakistan recorded modest growth of 1.0 per cent YoY, reaching 20.24Mt for the half year ended December 31, 2023, vs. 20.03Mt during the same period last year. Notably, exports witnessed a substantial surge of 110.7 per cent, totalling 3.65Mt during the 1H FY24, up from 1.7Mt in 1HFY23. Consequently, the overall industry volume grew by 9.8 per cent, reaching 23.89Mt in the period under review compared to 21.76Mt in the same period last year. This boost in sales volumes can be attributed to the increased viability of exports and a lower base of domestic sales in the previous year, which was impacted by widespread rains, unprecedented floods, and an overall

economic slowdown.

Compared to the cement industry, Lucky Cement experienced a 23.4 per cent increase in overall sales volume, reaching 4.4Mt, compared to 3.6Mt in the same period last year. Local sales volume grew by 16.3 per cent, reaching 3.5Mt during 1H FY24, compared to 3.0Mt in the same period the previous year. Furthermore, export volumes increased by 59.4 per cent, to 0.94Mt during the period under review, in contrast to 0.59Mt in the same period last year.

Foreign Cement Operations

The cement production facilities in Iraq and Congo, operated under joint venture agreements, continued to enhance the Group's profitability with increased margins. Iraq's cement demand improved, while Congo's demand remained stable. Additionally, full capacity utilisation at Najmat-Al-Samawah, in Iraq, and the conversion of the Kiln from Heavy fuel oil (HFO) to Gas further boosted the Company's profitability.

Cherat Cement saw 12% growth 12 in half-yearly's profit

The KPK-based Cherat Cement (CHCC) has recently uploaded its financial results to the Pakistan Stock Exchange (PSX) website. The company reported a 2QFY24 net profit after tax (NPAT) of PKR1.9bn, up 20 per cent YoY and 22

per cent QoQ. This result takes 1HFY24 NPAT to PKR3.4bn, up 12 per cent YoY. The positive result was possible due to increased gross margin and other income and a cut in financed costs during the three and six months.

The company posted net sales of PKR20.29bn in 1HFY23/24. Finance

costs clocked in at PKR811m, reflecting a 19 per cent decline over last year's period. But, distribution expenses rose by 23 per cent and Administrative expenses by 24 per cent during this period.



Kohat Cement Company completes BMR at the northern site

The northern-based cement manufacturer in Pakistan, Kohat Cement Company Ltd (KCCL), informed the Pakistan Stock Exchange (PSX) on 1st February that the Balancing, Modernization and Replacement (BMR) (pyro-process optimisation) of the existing 6,700tpd Grey Cement production line located at

Kohat, KPK, has successfully been completed. It will help the Company to bring operational and cost efficiencies to the plant.

A last quarter report adds that the Company commissioned a 10MW Solar Power Project at its Kohat site in August 2023 and is in the process of installing another 15MW Solar Power Project to reduce its dependence on



the National Grid, which shall not only play a significant role in cost saving but is a step towards Green Pakistan.

Kohat Cement Company has a plant at Kohat in KPK with a nameplate capacity of 5.017Mta.

Attock Cement Pakistan's profitability jumped by 264% in 1HFY24

Attock Cement Pakistan Limited posted its financial result for 1HFY24 on the Pakistan Stock Exchange (PSX) website on 6 February, wherein it declared a profit After Tax (PAT) of PKR2.040bn compared to a PAT of PKR560m in the same period last year (SPLY), a growth of 264 per cent YoY.

On the other hand, the profitability in 2QFY24 swelled by 12% YoY to PKR497m compared to SPLY. Alongside the result, ACPL announced an interim

cash dividend of PKR 2.5/share in 2QFY24.



According to the result review report of AHL Research, the topline during 1HFY24 clocked in at PKR14.638bn, displaying a jump of 41 per cent YoY in contrast to PKR10.373bn in SPLY, amid higher volumetric sales. On a quarterly basis, net sales rose by 33 per cent YoY to settle at PKR7.978bn, primarily led by a surge in exports. Local dispatches depicted a decline in 2QFY24 due to a drop in domestic demand.

The company recorded a one-off gain of PKR 2.197bn during 1HFY24 while selling the subsidiary Saqr AL Keetan for Cement Production Company Limited. The other income in 1HFY24 fell by 44 per cent YoY to settle at PKR83m. In 2QFY24, other income depicted an 18 per cent YoY drop to record PKR56m. Finance costs fell by 33 per cent YoY to PKR53m in 2QFY24.

Attock Cement Pakistan plant at Hub Chowki, Lasbela in Baluchistan, has a production capacity of 3.027Mta.

Kohat Cement Company profits grow by 24 per cent YoY in 1HFY23/24

Kohat Cement Company Limited (KOHC) announced its financial result for 1HFY24 on the Pakistan Stock Exchange website on 14 February, posting a Profit After Tax (PAT) of PKR 4.453bn compared to a PAT of PKR 3.578bn in the same period last year (SPLY).

This translates into a growth of 24 per cent YoY. On the other hand, the profitability in 2QFY24 swelled up by 14 per cent YoY to PKR2.224bn compared

to SPLY. According to AHL Research, the topline during 1HFY24 clocked in at PKR 21.462bn, slightly increasing by 2 per cent YoY compared to PKR 20.972bn in SPLY, amid higher retention prices.

Gross margins for 1HFY24 arrived at 28 per cent compared to 25 per cent in SPLY on the back of higher cement prices in tandem with the decline in coal prices. Other income in 1HFY24 surged by 112 per cent YoY to settle at PKR 2.066bn due to an increase in short-term investments. The IMS

Research believed that Kohat Cement's declining margins have been offset by significant Other Income.

The company will continue facing cost pressures, given the persistent upward stickiness of prices of Afghan coal and the implementation of the axle load regime, which diminishes the viability of imported coal. Furthermore, the higher reliance on grid electricity will continue to pressure margins.

The plant of Kohat Cement Company Limited in KPK has a capacity of 5.017Mta.

Bangladesh cement export turns in double-digit 7MFY23-24

Bangladesh has recorded a 59 per cent YoY expansion in cement export revenue to US\$10.51m in the first seven months (July-January 2024) of FY23-24 from US\$6.61m in the same seven months of the previous year, according to the Bangladesh Export Promotion Bureau (EPB).

This figure includes minor amounts of salt, stone and related products. The 21.08 per cent YoY rise in cement exports also surpassed the target of US\$8.68m for 7MFY23-24.

Bangladesh had set a higher target export revenue of US\$15m for FY23-24 against US\$13.66m earned in FY22-23. Generally, most cement exports from Bangladesh are shipped to India, particularly from the northeastern states of Bangladesh. Other popular destinations include

Nepal, Sri Lanka and the Maldives.

In the 7MFY23-24, Bangladesh brought home a total export revenue of US\$33.26bn on all merchandise, up 2.52 per cent YoY. The full-year target stands at US\$62bn.



LEATHER INDUSTRY

Pakistan Mega Leather Show has become an icon of Pakistan's leather sector

By Abdul Rafay Siddiqi

The 9th Pakistan Mega Leather Show was held at Lahore International Expo Centre, Lahore (Pakistan) from 26-28th January'2024, jointly organised by PTA & PFMA representing Finished Leather (Pakistan Tanners Association - PTA), Leather Footwear (Pakistan Footwear Manufacturers Association - PFMA) along with all other stakeholders of Leather Sector of Pakistan such as Leather Garments (Pakistan Leather Garments Manufacturers & Exporters Association - PLGMEA) and Leather Gloves (Pakistan Leather Gloves Manufacturers & Exporters Association - PGMEA).

More than 300 Stands of eye-catching value added Finished Leather of all sorts, Leather Footwear, Leather Garments and other Leather Products, Tanning Chemicals and machinery & Components/Accessories were displayed in Hall # 2 & Hall # 3 during the 3-days of the show with full sewing to attract foreign buyers.

Inaugural Ceremony

The first activity of the Pakistan Mega Leather Show (PMLS) 2024 was organising a formal Inaugural Ceremony, which was held on 26th February'2024 at the Main Entrance of Hall # 2 of Lahore International Expo Centre and inaugurated by Mr Lu, Chairman, Guangzhou Footwear Association, China along with Mr Muhammad Mehr Ali, Chairman, Pakistan Tanners Association (PTA), Mr Mansoor Ehsan Sheikh, Chairman, PFMA, Mr Agha Saiddain, Convener-PMLS, Mr Fazalur Rehman Sheikh, Chairman, PTA Northern Zone, Mr Muhammad Musaddiq, Member Steering Committee, PMLS and some of the Senior Members of PTA & PFMA participated in the prestigious ribbon cutting ceremony of 9th PMLS-2024.

Foreign participants, especially 40-Exhibitors from China, Turkey and Saudi Arabia, participated in the 9th Pakistan Mega Leather Show. Visitors from Italy, Spain, Germany, Portugal, Hong Kong, Cyprus, USA, UAE, China, Iran, Tunisia, and many others visited the 9th PMLS-2024.

The next fair to be held in 2025

A joint meeting of the Steering Committee of PMLS of PFMA & PTA was held during the Show at Lahore.

It was decided with threadbare discussion to change the name of the show with some inclusion to be more comprehensive with the same spirit & enthusiasm in continuation to be held in 2025, for which Official announcement with dates of the next show to be held in 2025 will be announced by PTA in due course.

However, the 9th Pakistan Mega Leather Show-2024 was concluded successfully and achieved all desired goals and objectives of the show as were set by the Steering Committee of the Show.

The three days shows featured high-quality Leather products and export quality footwear export products from across the country and abroad found with enormous traffic of trade visitors, which

is around 3500 to 4500 each day as the Electronic Registration counter maintained at the entrance of Hall # 2 of the Expo Centre and all the stands were quite busy with the business conclusion to the finalisation extent.

The overall outcome of 9 the Pakistan Mega Leather Show was outstanding, as it exceeded expectations and achieved the show's desired goals. All the Participants / Exhibitors, especially foreign Exhibitors and foreign Groups, were also satisfied and committed to participating in the next event in 2025.

Now, the Pakistan Mega Leather Show in Lahore has become an Icon of the Leather Sector of Pakistan as it has already established its recognition domestically & internationally that offers unlimited business opportunities for boosting sales potential/exports.

As such, all interested may avail this unique & vital opportunity in Pakistan as the most potential destination of the world for participation for the best return on their investment/joint ventures/collaborations.



Pakistan's leather industry saw a downtrend in exports during 7MFY24

Pakistan's leather industry consecutively saw a downward trend in export revenue during the first seven months (July – January 2024) of the current financial year 2023-24 due to the high cost of utilities and the economic slowdown in international markets. A contract of 12.28% was registered in export of finished leather, garments/goods and footwear in



terms of value during this period on a YoY basis when export revenues dropped to \$502.015 million from \$572.311 million during the comparative period last year.

According to the Pakistan Bureau of Statistics (PBS), the export of finished leather received a value of \$77.262 million between July and January 2024 against \$101.285 million earned in corresponding seven months last year.

This depicts a fall of 23.72% on a YoY basis. The export of leather manufacturing, including garments and goods, decreased by 8.87% to \$330.507 million in 7MFY23-24 from \$362.669 million earned during the same

seven months of the last financial year.

Pakistan's footwear exports (all kinds) have decreased despite increase in volume of shoes. It slid significantly during 7MFY24 by 13.02% in value, to \$94.246 million from \$108.357 million earned during the seven months in a year ago period. However, the shipment volume rose by 12.09 during this period.

Pakistan's leather industry earned export revenue of \$923.59 million during the last financial year FY23 (July 2022 – June 2023) against export revenue of \$986.15 million earned between July 2021 and June 2022. According to data compiled by the PBS, this translates into a contract of 6.34%.

Leather Research Center (PCSIR) has acquired accreditation

According to Pakistan's Leather Research Center (PCSIR), it has acquired accreditation from the Pakistan National Accreditation Council, Islamabad, certificate no. LAB 006, to have added new equipment such as an Atomic Absorption Spectrometer, GC-MS, Xenon, TDM



cut testing machine, Blade cut resistance, and protective clothing according to EN 407, EN 388, EN 12477, EN 11611, etc., for different legislations, e.g. CE certification, LWG, ZDHC and REACH to its testing list of Leather Research Center, PCSIR.

The leather industry has been informed that all the tests mentioned above are performed at very reasonable rates and in Pakistani rupees.

All leather manufacturers and exporters must use the manufacturing processes within the guidelines defined and followed by ZDHC, REACH, LWG, and CE marking. Leather products are

accepted only after these compliances.

The Leather Research Centre (PCSIR) always stands with the leather industry and exporters. They resolved the problem faced in the testing field and installed new equipment for both chemical and physical parameters. Now, the capabilities of the Leather Research Centre are enhanced in terms of the latest scientific instruments, equipment, and machines. Leather Research Centre has already acquired EN/ISO 17025-2017. LRC provides all parameters mentioned above in Pakistan rupees and saves foreign exchange for exporters who pay in favour of testing to multinational labs in dollars.

India leather industry fall in exports during 7MFY24

According to the Indian Council for Leather Exports (CLE), the export of leather, leather goods/garments and Footwear during the first nine months (April – December 2023) of the current financial year, April 2023 to March 2024, Indian exporters brought home \$3.554 billion as against the export revenue of US\$4.092 billion in April-December 2022-23, thus recording a decline of -13.14% YoY.

The breakdown of major components of the leather sector shows that during 9MFY2023/24, finished leather exports grew 4.17% in value to \$340.58 million from \$326.95 million in the same nine months last year.

But, leather garments fell by 2.76% to US\$276.26 million from US\$284.09 million earned in the same nine months of the previous fiscal year. Similarly, leather footwear decreased by 18.74% to \$1.1500 billion from US\$1.846 billion in April –December

2022-23. The export of leather goods has also registered a fall of 8.20% to US\$937.35 million from US\$1.021 billion during the corresponding period a year ago.



Bangladesh leather industry exports fall in 7MFY24

Bangladesh leather industry has registered a negative growth of 14.33% in the seven months (July – January 2024) of the current financial year 2023-24, when exports fell to \$628.06 million from \$733.09 in 7MFY2022-

23, according to data of Bangladesh Export Promotion Bureau (EPB).

The breakdown shows that Bangladesh earned \$78.75 million on exports of finished leather in the first seven months of FY2023-24 compared to \$77.27 million made in the same seven months in the last fiscal year, which

shows a growth of 1.92%. The leather product exports also increased by 3.37% to \$231.77 from \$224.21 million in seven months of the last fiscal year. However, on a negative note, leather footwear exports decreased 26.43% to \$317.54 million in July – January 2024 compared to \$431.54 million made seven months a year ago.

PEOPLE & EVENTS

Engro Corporation appoints Ahsan as President, CEO-designate



Engro Corporation, Pakistan's premier business conglomerate, has announced the appointment of Ahsan Zafar Syed as President and CEO Designate.

Ghias Khan will continue to serve as President and CEO of Engro Corporation until the end of his term in April 2024.

Ahsan, currently CEO of Engro Fertilizers, began his professional career with Engro (then Exxon Chemical Pakistan Limited) over 30 years ago. Ahsan played a pivotal engineering role in the construction of the EnVen plant for Engro Fertilizers, which is the second-largest single train urea plant in the world.

Saghir Abbasi appointed AAG Sindh

The Sindh Law, Parliamentary Affairs and Criminal Prosecution Department has in exercise of powers conferred by Rule-3-C of the Sindh Law Officers (Conditions of Service) Rule 1940 and the competent authority i.e. Chief Minister Sindh has appointed Saghir Ahmed Abbasi, as Law Officer/ Additional Advocate General with immediate.

Gulzar Firoz appointed as Convener of FPCCI

President, FPCCI, Atif Ikram Sheikh has appointed Mr. Gulzar Firoz (Tamgha-e-Imtiaz) as Convener of standing committee on Environment 2024-25. Due

to vast experience in the field of Environment Mr. Gulzar Firoz has in the past served 03 years as Convener of the same Committee.



Maniar continues to serve as SSGC MD/CEO

The Board of Directors of Sui Southern Gas Company (SSGC) has decided that Imran Maniar will continue to serve as MD/CEO until his reappointment

or the appointment of his successor by the Company Board.

The SSGC board took this decision in terms of Section 187/3 of the Companies Act, 2017, the Companies sources said.



Punjab CM elected PCB Chairman unopposed



Caretaker Punjab Chief Minister Mohsin Naqvi has been elected unopposed as the 37th chairman of the Pakistan Cricket Board (PCB) for a three-year term.

It may be noted that the PCB's BoGs had been without a chairman for the last 13 months with the PCB having been run by two separate interim management committees during that time.

On January 27, the PCB had announced the composition of its Board of Governors in accordance with Paragraph 10 of the 2014 PCB constitution.

Naqvi and Mustafa Ramday were included in the Board of Governors as the two nominees of the prime minister. The remaining eight members came equally from regional cricket associations and departments.

JS Bank appoints Atif Salim Malik as the new CEO

JS Bank, one of the fastest-growing banks in Pakistan, has appointed Atif Salim Malik as the new Chief Operating Officer (COO).



Before his appointment as the COO, Atif served as the Group Head of Retail Banking at JS Bank, where he played a pivotal role in driving the Bank's core retail business. Under his leadership, JS Bank made significant strides in SME, Agri, and consumer lending domains. Atif has over twenty-eight years of diverse experience in senior executive management roles across retail and microfinance banking sectors.

"Atif's elevation defines JS Bank's DNA of investing in its talented individuals and promoting high performers, said Basir Shamsie, President & CEO of JS Bank.

Newly-elected FPCCI president, colleagues assume office



Atif Ikram Sheikh, the newly-elected president of Pakistan Federation of Chambers of Commerce and Industry, and his colleagues took charge of their new positions recently. Former president Sheikh Irfan vacated his seat for FPCCI President Atif Ikram Sheikh, who was elected by the business community for two years.

The business community across the country had elected Atif Ikram Sheikh with 240 votes in a transparent election, while Muhammad Ali of the All Pakistan Stainless Steel Importers Merchants Association got 154 votes.

Descon, IFC sign MoU

Descon, a leading engineering and construction company in Pakistan, and the International Finance Corporation (IFC) have signed a memorandum of understanding (MoU) to address the significant postharvest losses of wheat, rice, and maize in the country.

The MoU, signed under Descon's Agri Business Line, aims to reduce the annual postharvest losses of essential grains in Pakistan, which amount to around \$2 billion, according to a statement issued recently.

These losses contribute to food insecurity, affecting 36.8 percent of the population.

"We are excited about the potential impact of this collaboration. By modernizing infrastructure and optimizing supply chain processes, we believe we can make a substantial difference in reducing postharvest losses and enhancing the quality of staple grains for the people of Pakistan," Faisal Dawood, vice chairman of Descon said.

The collaboration underscores a commitment to an inclusive approach, leveraging private sector initiatives to positively impact Pakistan's agricultural sector, the statement said. By addressing the root causes Descon and IFC aim to create sustainable solutions for long term food security in



the country.

Descon has embarked on a diversification into the agricultural sector, reflecting the company's visionary approach. With a steadfast commitment to empowering small-scale farmers, Descon aims to play a pivotal role in transforming the agricultural landscape.

Ahmad Ishaque made FIA DG



The government has appointed Ahmad Ishaque Jahangir, a BS-21 officer of the Police Service of Pakistan (PSP), who was already serving with the Federal Investigation Agency (FIA) as Additional DG, the interior ministry said.

As this is a Grade 22 post, his posting has been made under Section 10 of the Civil Servants Act. This important post has been lying vacant since December 31 due to the retirement of Mohsin Hasan Butt.

General Manager Finance National Highway Authority Muhammad Tayyab has been transferred and posted as Director General Bureau of Immigration and Overseas Employment. Muhammad Tayyab is an officer of Pakistan Audit and Accounts Service.

Tariq Wazir to head FPCCI oil panel

Tariq Wazir Ali, chairman of the Oil Marketing Association of Pakistan (OMAP), has been named as the convener and chairman of the Federation of Pakistan Chambers of Commerce & Industry (FPCCI)'s central standing committee on the oil marketing sector. He expressed hope for the improvement of the business climate and increased investment in the sector with the arrival of the new government.



Tufail made MD SNGPL



The SNGPL Board of Directors has appointed Amer Tufail as Managing Director of Sui Northern Gas Pipelines Limited (SNGPL) for a period of three years.

The decision was taken in the meeting of SNGPL Board of Directors at its meeting recently. Amer Tufail is a Chartered Accountant by profession. He has been part of Sui Northern Gas for the last 20 years and has held various key management positions.

Prior to joining SNGPL, he remained associated with large national and multinational organizations in Pakistan and abroad featuring over 32 years of rich experience in a large variety of disciplines.

Johar Ali Qandhari becomes President of KATI



During its executive meeting, the Korangi Association of Trade and Industry (KATI) executive committee unanimously elected Johar

Ali Qandhari as the new president. Qandhari is set to serve the remaining term of the current officials.

The appointment took place following the resignation of the former president, Faraz-ur-Rehman, in December 2023. In his absence, Senior Vice President Nighat Awan assumed the role of acting President. However, responding to the call of 14 out of 17 executive committee members, a General Body Meeting of KATI was convened at the

secretariat on January 29, 2024.

Upon his election, Johar Ali Qandhari expressed gratitude towards the committee members and extended his appreciation to KATI's leadership. He assured to follow the vision of the late Former Patron-in-Chief SM Munir, along with the guidance and traditions set by the Former Presidents of KATI. Qandhari emphasised his commitment to enhancing economic activities and serving the business community.

Acknowledging the support received, the new KATI President thanked Patron-in-Chief SM Tanveer, Deputy Patron-in-Chief Zubair Chhaya and all the members. He pledged to work tirelessly for the betterment of the Korangi industrial area, aiming to unlock its full potential. Qandhari is also committed to identifying and resolving the challenges members and the broader business community face.



OIL AND GAS



Pakistan Refinery unveils 1.7 billion brownfield refinery expansion plan in Karachi

Tariq Kirmani, Chairman of Pakistan Refinery Limited (PRL) and Zahid Mir, Managing Director/CEO of PRL, have shared the salient feature of the PRL expansion project, costing US\$1.7 billion at the august gathering at the Company flagship event, PRL Connect 2024, on Friday, January 26, 2024, at a local hotel, Karachi, under the theme "Powering Progress, Doubling Capacity."

The project aims to upgrade from the current hydro Skimming to a Deep Conversion refinery to sell more profitable valued products and no production of HSFO. Motor gasoline and high-speed diesel production will increase by 34.9% and 44.7%, respectively.

industry leaders, stakeholders, and partners a platform to converge and explore PRL's transformative journey towards a sustainable energy future. A question-answer session also clarified the project's local financing and foreign funding with a time of four years.

Key Highlights:

1. **Exceptional Operational Performance:** PRL's Chairman of the Board of Directors highlighted the company's stellar operational performance in the current and last quarter, achieving record-breaking profits, 100% plant availability, and the Company's highest-ever sales of Diesel and petrol in September 2023.
2. **Strategic Shift with Brownfield Refinery Policy:** PRL showcased its strategic decision to embrace the Brownfield Refinery Policy, approved by the Federal Cabinet in August 2023.

4. **Shareholder's Support:** A major development highlighted during the event was the shift in majority shareholding to Pakistan State Oil (PSO), signalling PSO's strong commitment to upgrading and expanding PRL. This move also ensures vertical integration for PSO as it secures a reliable supply chain.

5. **National Impact:** The Chairman emphasised that REUP benefits not only PRL but also PSO and the entire country. The project generates employment opportunities, stimulates economic activity, and contributes significantly to the national GDP, reducing import dependency and saving valuable foreign exchange.

6. **Invitation to Partnerships:** The Chairman thanked the attendees and invited banking and financial institutions to join hands with PRL in realising the ambitious REUP project.



The PRL expects funding of \$150-200 million under REUP contribution as an incentive under the refinery policy. The original time frame of completion was five years, but management will try to bring the project online in four years. The PRL is optimistic that a new product, Propylene 457,000tpd, will be part of production, and 100% will be exported.

Regarding local financing arrangements, PRL has already appointed UBL and GS Global as financial advisors while arrangements are being made to source foreign funding for the project. PRL signed an agreement with Wood Group UK Limited (Wood) in Dubai on May 19, 2022, appointing them as the Front End Engineering Design (FEED) Contractor for the Refinery Expansion and Upgrade Project (REUP). The technology is sourced from Honeywell UOP, USA and Axens of France. A handout from PRL said that the event provided

The policy, lauded for encouraging existing refineries to upgrade and expand, positions PRL for a transformative change in the refining industry.

3. **Pioneering Refinery Expansion & Upgrade Project (REUP):** PRL is spearheading a transformative Refinery Expansion & Upgrade Project (REUP) aimed at doubling the crude processing capacity from 50,000 to 100,000 barrels per day. This strategic initiative not only ensures a significant boost in capacity but also focuses on enhancing profitability. The project is designed to zero Furnace Oil production, redirecting efforts towards maximising the production of highly profitable products like Petrol and Diesel of Euro V standards. PRL's REUP initiative aims to set new industry benchmarks for financial success and sustainability by aligning with market demands and prioritising lucrative fuel products.

The call for partnerships aims to forge ahead, doubling capacities, embracing sustainability, and contributing to Pakistan's progress.

Quotes:

- Tariq Kirmani, Chairman, PRL Board: "PRL Connect 2024 marks a pivotal moment as we unveil our vision for a sustainable energy future. Our achievements and strategic decisions pave the way for transformative change, and we invite partners to join us in this ambitious journey."
- Zahid Mir, Managing Director/CEO: "Our journey towards doubling capacity is not just about numbers; it is about laying the foundation for a self-sufficient and sustainable energy future for Pakistan. We invite banking partners to become integral parts of our journey."

A Chronicle Report

STEEL & ALLIED INDUSTRY

2QFY24 Review: Ideally positioned in challenging environment

ISL reported 2QFY24 NPAT of PKR1.24bn (EPS: PKR2.84), representing an 11% QoQ increase, which was significantly better than the NLAT of PKR0.39bn (LPS: PKR0.89) reported last year. This brings 1HFY24 NPAT to PKR2.35bn (EPS: PKR5.41). The result was lower than our projected EPS of PKR3.04/sh. The result was accompanied by a DPS of PKR2.50/sh, which we had not expected. Additionally, the company announced the approval by the board to undertake PKR1.0bn investment in a 6.4MW Solar Power plant to reduce reliance on grid energy. The plant is expected to come online by 1QFY25.

Key takeaways from 2QFY24 results:

Net revenue reached PKR20.5bn, a rise of 18% YoY and 7% QoQ, higher than our projected revenue of PKR18.5bn.

Revenue has increased despite a 7% decline in CRC prices and flattish local demand, which may indicate healthy export volumes.

ISL posted gross margins of 13.9% in 2Q, up 1.0ppt QoQ and 9.6ppt YoY, lower than our expected GM's of 14.3%. The sequential improvement in margins is attributed to a 13.0% rise in global HRC-CRC primary margins during the quarter.

The company posted finance cost of PKR176mn, down 10% QoQ and 78% YoY. The decline in finance cost is likely due to repayment of debt.



Among other line items: (i) Distribution expenses clocked in at PKR 579mn up 57% QoQ likely on account of improved exports and axle load regime implementation, and (ii) effective tax rate clocked in at 29% in 1QFY24 versus 37% last quarter.

ISL has posted an impressive result, demonstrating robust profitability despite difficult macroeconomic conditions, where stagnant local demand and increasing energy prices pose significant challenges. The Board's approval to invest in a solar power project to reduce reliance on expensive grid energy is commendable and showcases the company's advantageous position. With little debt on its balance sheet, ISL can make strategic capital expenditure decisions to enhance efficiency, while also maintaining healthy payouts. We maintain a Buy stance on ISL with a Target Price of PKR90.0/sh.

Courtesy - Intermarket

International Steels will set up the 6.4 MW Solar Power Project in Karachi

International Steels Limited informed the Pakistan Stock Exchange (PSX) on January 29 that the Company's Board of Directors has approved undertaking a 6.4 MW Solar Power Project at its Karachi factory.

The project is expected to be completed in 01 2024-2025. The estimated cost

of the project is Rs one billion. The company's initiative for investment in solar energy projects will play a key role in cost saving, reduction of the country's reliance on imported fuel and enforcing the company's commitment towards sustainable environment practices, reduction of carbon footprint and move towards Green Energy.

International Steels Limited was

incorporated on 03 September 2007 as a public unlisted company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017).

The Company is a subsidiary of International Industries Limited. The Company's primary activity is manufacturing cold-rolled, galvanized and colour-coated steel coils and sheets.

Mughal Iron & Steel's revenue remains robust

According to IMS Research, Mughal Iron & Steel (MUGHAL) has posted 2QFY24 NPAT of PKR773mn (EPS: PKR2.30), up 64% YoY and 50% QoQ. The result was significantly higher than the market's expected EPS of PKR0.94, where the deviation stemmed from higher-than-expected revenue and lower taxation. The result takes 1HFY24 NPAT to PKR1.1bn (EPS: PKR3.25), down 19% YoY SPL.

Key highlights from 2QFY24:

The company reported revenues of PKR25.0bn, up 19% QoQ and 46%

YoY, which came in higher than our expectations of PKR20.9bn, likely because of strong performance from copper exports as steel sales and prices were down during the quarter.

Gross margins contracted to 10.0%, reflecting a decrease of 2.0 ppt QoQ but an improvement of 2.6 pt YoY. Experts believe the sequential contraction in margins is due to declining steel prices during the quarter. Finance costs were recorded at PKR1.4bn, up 36% YoY but down 14% QoQ. The sequential decline in finance costs may be due to a reduction in ST borrowings.

Among other line items, i) sales and



marketing expenses fell by 58% QoQ to PKR30mn due to weaker domestic sales during the quarter, and ii) Effective tax rate was recorded at 7% in 2QFY24 vs 29% in the previous quarter, which may be due to higher contribution of exports; however, we await detailed financials for further clarity.

MUGHAL's revenue remains robust, yet shrinking gross margins have kept gross profitability steady. Despite a decline this quarter, finance costs remain high due to elevated interest rates. While the steel demand outlook is muted, steady copper demand from China and potential monetary easing later in the year offer positives.

BANKING & INSURANCE

Islamic banking deposits cross Rs6 trillion

Pakistan's Islamic banking industry (IBI) grew by nearly 22 percent in the third quarter of 2023, reaching a record high of Rs8.417 trillion, as more customers opted for Shariah-compliant finance amid a supportive regulatory environment.

The Islamic banking sector deposits crossed the six trillion rupees mark to reach Rs6.160 trillion by the end of September, according to the Islamic Banking Bulletin released by the State Bank of Pakistan last week. The deposits stood at Rs5.021 trillion in the same period last year.

The market share of assets and

deposits of IBI in the overall banking industry stood at 19.6 percent and 22.5 percent, respectively in July-September 2023.

The quarterly growth in assets was mainly driven by an increase in investments (net), which exhibited a quarterly rise of Rs456 billion and increased to Rs3.928 billion by the end of September 2023," the SBP's report said.

On the other hand, the financing (net) of IBI was recorded at Rs3.026 trillion. The share of investments (net) and financing (net) in total assets of IBI was recorded at 46.7 percent and 35.9 percent, respectively, it added.



Investments (net) of IBI posted a solid growth of Rs456 billion during the period under review and stood at Rs3.928 trillion in July-September last year. "This increase was largely driven by IBI's investments in the Government of Pakistan domestic Ijarah Sukuk (GIS)," the SBP said.

HBL sets industry benchmark with over Rs2bn worth of financing

HBL, the Best Bank in Agriculture Financing leads with over Rs 2 billion in financing for solar-powered tubewells, thus, empowering farmers and fostering sustainability.

This milestone financing enables more than 850 farmers across Pakistan to irrigate their crops and orchards at the right time using environmentally friendly energy. This approach helps the farmers increase crop yields and

farm productivity with the right quantity of water.

Commenting on this achievement, Ahmed Naazer Minhaj, Head Agriculture Banking - HBL stated, "Farmers have been facing challenges of water shortages, increased electricity tariff and diesel prices, which will be addressed largely by converting the tubewells to solar energy. This milestone corresponds to HBL's commitment to transition to clean energy in agriculture, fostering reduction in carbon emissions and



prospering farmers through the adoption of innovative technologies conveniently and cost-effectively".

MCB posts highest-ever PBT for 2023

The Board of Directors of MCB Bank Limited (MCB) in its meeting under the Chairmanship of Mian Mohammad Mansha, on February 06, 2024, reviewed performance of the Bank and approved the financial statements for the year ended December 31, 2023.

The Board of Directors has declared final cash dividend of Rs9.0 per share i.e. 90%, in addition to 210% already paid, bringing the total cash dividend for the year 2023 to 300%.

Through focused efforts of the Bank's management in building no-cost deposits and optimizing its earning assets mix, MCB achieved significant



growth in core earnings to post a historic Profit Before Tax (PBT) of Rs125.2 billion; registering an impressive increase of 75% over last year. The Profit After Tax (PAT) was recorded at Rs59.6 billion (+82%) and translated into an Earning Per Share (EPS) of Rs50.32 compared to an EPS of Rs27.63 reported in the last year.

Aided by a strong volumetric growth in current account and timely

repositioning of the asset book, net interest income for the year 2023 increased by 69% as compared to last year.

Non-markup income increased to Rs32.9 billion (+34%) against Rs24.6 billion in the last year with major contributions coming in from fee commission income (Rs20.2 billion), income from dealing in foreign currency (Rs8.5 billion) and dividend income (Rs3.0 billion).

During the year, MCB attracted home remittance inflows of US\$ 3,247 million to further consolidate its position as an active participant in SBP's cause for improving flow of remittances into the country through banking channels; with market share improving to 12.3% as compared to 11.5% in the year 2022.

Faysal Bank posts 77pc jump in annual profit

Faysal Bank Limited reported a 77 percent surge in its annual profit after tax for 2023, driven by higher interest income and non-markup income.

The bank said that its profit after tax rose to Rs20.247 billion, or Rs13.34 per share, in 2023 from Rs11.438 billion, or

Rs7.54 per share, a year earlier.

Mian Muhammad Younis, chairman of Faysal Bank said the significant milestone of achieving Rs1 trillion in deposits marks a reaffirmation of trust and confidence reposed in us by our customers”

“We look forward to continuing this journey of excellence, innovation,



and best-in-class Shariah Compliant Islamic Banking, ensuring a positive impact on all our stakeholders.”

Bank Alfalah records an impressive year of growth

Bank Alfalah delivered exceptional performance during 2023. The Bank has crossed significant milestones of 1,000 branches and Rs. 2 trillion in deposits, improving its industry ranking in terms of deposit base, total



assets and branch footprint. The Bank posted a profit after tax of Rs. 36.456

billion as compared to Rs. 18.206 billion last year, showing over 100% growth. The earnings per share (EPS) stands at Rs 23.12 (2022: Rs 10.27).

This reflects strong growth momentum in line with the Bank's strategy. Deposits closed at Rs 2.085 trillion as at December 31, 2023, representing a 40.2% increase over the previous year.

BAHL announces 115pc profit growth

Bank AL Habib Limited (BAHL) has reported a 115 percent surge in its annual profit for 2023, driven by higher interest income and fee income.

The bank earned Rs35.93 billion in the year ended Dec. 31, 2023, up from Rs16.69 billion a year earlier, according to a filing to the Pakistan Stock Exchange (PSX).

Earnings per share (EPS) rose to 32.33 rupees from 15.01 rupees in 2022.

The bank's board of directors recommended a final cash dividend of Rs5 per share, or 50 percent, bringing the total dividend for the year to Rs14 per share, or 950 percent.



The bank's net interest income, the difference between interest earned and interest paid, jumped 60.6 percent to Rs124.14 billion, as its interest-earning assets grew 86.1 percent to Rs373.89 billion.

The bank's non-markup income, which includes fee income, foreign

exchange income and share of profit from associates, increased 12.9 percent to Rs24.35 billion.

The bank's share of profit from associates, mainly from its stakes in Habib Bank AG Zurich and Habib Metropolitan Bank, rose 45.6 percent to Rs1.13 billion.

The bank's foreign exchange income, however, declined 5.5 percent to Rs6.84 billion, due to lower volatility in the currency market and reduced margins.

The bank's total expenses increased 36.5 percent to Rs72.31 billion, mainly due to higher operating costs, which rose 35.7 percent to Rs70.53 billion. The bank's provision for bad loans decreased 18.4 percent to Rs1.78 billion.

Soneri Bank's profit surges threefold in 2023

Soneri Bank Limited (SNBL) has reported a more than threefold increase in its annual profit for 2023, boosted by higher interest income and lower provisions.

The bank posted a net profit of Rs6.08 billion, or Rs5.51 per share, for the year ended Dec. 31, 2023, compared with Rs1.88 billion, or Rs1.71 per share, a year earlier.

The board of directors declared a final cash dividend of Rs3 per share for 2023, the bank said in a filing to the PSX.

Soneri Bank's net interest income rose by 102 percent to Rs22.76 billion in 2023, from Rs11.27 billion in 2022, as interest-earning assets grew by 55.5 percent to Rs98.03 billion.

The bank's total non-markup income, which includes fees, commissions and foreign exchange income, increased by 25.2 percent to Rs6.46 billion in 2023, from Rs5.16 billion in 2022.

The bank also reversed provisions of Rs1.39 billion in 2023, compared with an expense of Rs374.57 million in 2022, as it improved its asset quality and



recoveries.

The bank's total non-markup expenses, which include administrative and operating costs, rose by 26.4 percent to Rs15.47 billion in 2023, from Rs12.24 billion in 2022, mainly due to inflation and business expansion.

Mastercard extends partnership with UBL

Mastercard and UBL have renewed its strategic business partnership focused on the issuance of debit cards in Pakistan. The multi-year collaboration will see the partners tap into opportunities to boost financial inclusion, meet evolving consumer expectations and showcase UBL as a key player in the country's competitive digital payments landscape.

Mastercard will further offer access to its extensive portfolio of leading digital products and solutions, including debit and virtual cards, as well as cyber and intelligence resources. UBL will work with Mastercard Advisors, which leverages the company's unmatched payment and technology expertise to deliver top-of-the-line consulting



services, on a wide range of initiatives aimed at its growth journey.

"Building on a legacy of more than 20 years, Mastercard works with market leaders to support Pakistan's dynamic digital transformation journey and fuel its economy. We are delighted to extend our longstanding partnership with UBL as we usher in a new era of collaboration and innovation. Together, Mastercard and UBL will create new opportunities for Pakistan and its people as we partner to create an inclusive digital economy that works for everyone," said J.K. Khalil,

Cluster General Manager, MENA East, Mastercard.

"Debit card offerings, especially those supported by a global payment network, such as Mastercard, contribute to a seamless and secure customer experience. The renewal of our collaboration agreement testifies to the stability and reliability of our banking services and reaffirms our trust in Mastercard's capabilities as a global technology leader in the payments industry," said Muhammad Anas, Head of Consumer Banking, UBL.

JS Bank reflects on the year of progress and growth

As the year 2024 begins, JS Bank, one of the fastest-growing banks in Pakistan, reflects on its journey of progress and growth to provide the best-in-class services to its customers.

In a year full of memorable highlights, the acquisition of BankIslami was a major milestone for JS Bank, reiterating its commitment to growth and evolution. Together, both banks will



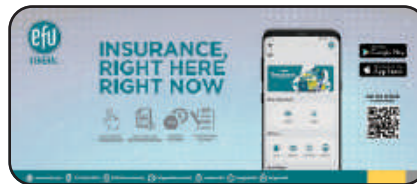
continue to operate independently in their respective domains and remain steadfast in their mission to provide best-in-class financial services to their

customers.

JS Bank also remained committed to expanding its footprint across the country by inaugurating new state-of-the-art branches, aiming to improve customer outreach. Under JSBL's Annual Bank Expansion Plan (ABEP), several branches in the rural and urban areas were inaugurated, including Hala, Chawharmal, and Gambat branches in Sindh, Samundri branch in Faisalabad, Gujar Khan branch in Rawalpindi, and several others.

EFU General brings insurance round the clock

EFU General Insurance Ltd. brings a mobile app, aimed to deliver a premium customer experience with enhanced accessibility for purchasing and managing motor and travel insurance policies at any hour of the day. The app ensures a simple, quick,



and seamless customer journey. This mobile app provides comprehensive details of policy coverage, quotes premium, allows

users to make payments through a secure gateway and intimate claims. Customers will now have a simplified policy management system in the palm of their hands.

"Right here, right now. Simply get your Motor and Travel insurance policies round the clock conveniently and instantly," stated the spokesperson of EFU General.

Muhammad Hamayun Sajjad becomes the CEO for Mashreq Pakistan



Mashreq, one of the leading financial institutions in the MENA region, proudly announces the appointment of Muhammad

Hamayun Sajjad as the Chief Executive Officer for Mashreq Pakistan.

Mashreq Bank Pakistan Limited is actively progressing towards acquiring a restricted license from The State Bank of Pakistan to commence its digital retail banking operations. This marks an important step in its journey towards becoming a fully licensed banking entity in Pakistan. The In-Principal Approval (IPA) received in 2023 is a testament to the

bank's commitment to contributing to Pakistan's financial landscape, aiming to introduce innovative digital banking services that align with the country's vision for a digitally empowered economy.

Muhammad Hamayun brings with him a stellar track record of leadership within the financial sector, having been an instrumental figure in catalysing transformation and driving success for financial institutions across the Asia-Pacific and Middle East regions.

Meezan Bank profit after tax for the year 2023 stood at Rs 84.5 billion

The Board of Directors of Meezan Bank has approved the Bank's financial statements and its consolidated financial statements for the year ended December 31, 2023. The meeting was chaired by Mr Riyadh S.A.A. Edrees – Chairman of the Board, and Mr Faisal A. A. Al – Nassar – Vice Chairman of the Board, was also present.

The Bank's profit after tax for 2023 stood at Rs 84.5 billion. The Board approved Rs 8 (80%) per share as the final cash dividend for the year 2023. This brings the total cash dividend payout for 2023 to Rs 20 (200%) per share as Rs 12 per share, i.e., 120% of the interim cash dividend was already paid

for the nine months. The Bank remains adequately capitalized with a healthy Capital Adequacy Ratio of 22.39%, significantly exceeding the minimum requirement of 11.50%.

The Bank's deposits increased by 34% to Rs. 2.2 trillion. The Bank's branch network increased to 1004 branches in 334 cities and over 1,000 ATMs. The Bank is continuously growing its branch network to make Islamic banking accessible to every citizen



of Pakistan. The Bank also maintains leadership in digital transactions, with over 275 million financial transactions processed through its mobile app. Meezan Bank's Mobile Banking App retains its position as the highest-rated app in the banking industry on both Google Play Store and Apple App Store. During 2023, the remittances under Roshan Digital Accounts (RDA) exceeded \$1.8 billion, representing a substantial market share of 26%, positioning Meezan Bank as the preferred banking partner for overseas Pakistanis.

Total assets surpassed Rs 3 trillion, and the Bank's investment portfolio registered 23% growth. Advances to Deposits Ratio of the Bank stood at 45%.

Bank Alfalah and Zindagi Trust unite to transform education through integrating digital arts and the financial literacy

Bank Alfalah, a leading commercial bank in Pakistan, and Zindagi Trust, a pioneering non-profit organisation committed to transforming the landscape of education in Pakistan, are pleased to announce the initiation of the Digital Arts and Financial Literacy Program at Zindagi Trust schools.

This initiative is pivotal in Bank Alfalah's dedication to fostering educational innovation and digitisation in Pakistan. Bank Alfalah will be funding PKR 14.84 million over a span of two



years to facilitate the establishment of a digital art lab and enhance their curriculum empowering young girls on their path to financial independence at an early age. The program aims to evolve the educational landscape by

integrating digital arts and essential financial literacy into the curriculum, offering girls professional opportunities in the digital world.

The collaboration is set to benefit around 2,000 female students at Zindagi Trust's adopted schools in one academic year. This will open doors for girls to develop valuable skills that are increasingly in demand increasing their access to professional opportunities in the long term. The girls will be better equipped to pursue rewarding careers and achieve financial independence in the future.

HBL and Visa announce Winners of First Edition of She's Next program in Pakistan

Visa (NYSE: V), a world leader in digital payments, together with HBL, Pakistan's leading Bank today, announced five winners of Pakistan's inaugural edition of the She's Next program, Visa's global platform dedicated to supporting women in their efforts to fund, run and grow their small businesses.

Winners included Ziana Sakhia, CEO & Cofounder of Bechlo, Sadaf Rehman, Cofounder of CodeSchool, Rida Zainab, Cofounder of Porter Pakistan, and Ayesha Awan, Cofounder of SocialBlu. The program also included a People's Favorite award, where members of the public voted online for their favorite finalist, Hira Javaid, CEO of Foster Learning. Winners were chosen from a pool of almost 2,500 applicants from

a range of sectors including textiles, education, food and beverage, professional services, beauty and wellness within Pakistan.

The five winning woman-owned small businesses received a US\$10,000 grant each, along with a tailored training program by Katalyst Labs, and access to the She's Next Club where they will have access to multiple resources including a workshop library and a community of entrepreneurs for mentorship.

A jury evaluated entries based on the progression of the applicant's entrepreneurial journey, the robustness of their business metrics, their digital presence; and demonstrated ability to confidently solve problems.



The members of the jury included: Carl Manlan, Visa's Vice President for Social Impact in Central Europe, Middle East and Africa (CEMEA), Maya Inayat Ismail, Chief of Staff to the Chairman and Chairperson, Sustainability Forum – HBL, Aatif Awan, Founder and Managing Partner of Indus Valley Capital and Sheema Sultan, CEO of Core Gym.

AUTOMOBILE NEWS

Pakistan tyres industry impacted due to smuggling

Reportedly, despite action taken by the government to curb smuggling, smuggled tyres of all sizes are now again available in the local market posing a threat to local industry. The annual consumption of tyres in Pakistan is 14.5 million. Around 25% demand is met by domestic production and 10% of tyres are imported legally while rest is through grey channels, market sources said.

According to an estimate, smuggling of tyres alone is costing the national exchequer more than Rs 70 billion annually while it also cripples local tyre industry.



Hussain Kuli Khan, CEO GTR stated that there was a visible slow down last year when the government took action to curb smuggling for a few months but now it's business as usual for the smugglers.

"Local industry is the backbone of any economy and a primary responsibility of the government is

to provide protection and safeguard local industry's interests so that in return they can create employment opportunities, pay taxes to national exchequer and save forex for the country," he said.

Hussain said that the heavy influx of smuggled tyres can be gauged by the actions of the Collectorate of Customs Enforcement (CCE) as they confiscated over 55,000 smuggled tyres mainly bigger car tyre sizes worth about Rs 540 million in Karachi last year.

He said: "The government should re-evaluate the data of the items being imported via the Afghan Transit Trade (ATT) and see if the numbers of tyres being imported are supported by the vehicle population in Afghanistan.

Honda Atlas profit plunges 82pc in Oct-Dec

Honda Atlas Cars (Pakistan) Limited, the local assembler and distributor of Honda vehicles, reported an 82 percent drop in its quarterly profit, as sales slumped amid a slowdown in the auto sector.

The company posted a net profit of Rs143.25 million for the October-



December period, down from Rs810.82 million a year earlier, according to its financial statements filed with

the Pakistan Stock Exchange on Wednesday.

The company attributed the decline in profit to a 46 percent fall in sales, which amounted to Rs12.43 billion, compared with Rs22.95 billion in the same period of the previous year. The auto sector in Pakistan has been facing a slump in demand due to high prices, rising interest rates, and a depreciating currency.

Suzuki Motor Corp agrees to buy out Pak Suzuki

Suzuki Motor Corp has agreed to buy back the shares of its Pakistani subsidiary, Pak Suzuki Motor Co Ltd, at a 50 percent premium to its initial offer, paving the way for the delisting of the country's largest carmaker from the stock exchange. The Japanese

automaker, which owns 73.09 percent of Pak Suzuki, said recently it would pay Rs609 per share to acquire the remaining stake, up from its previous offer of Rs406 in December.

The buy-back price was determined by the Voluntary Delisting Committee of the Pakistan Stock Exchange (PSX), which approved the delisting of Pak



Suzuki, subject to the acceptance of the majority shareholder and the consent of the minority shareholders.

Changan hits 40,000 production mark

Master Changan Motors Limited, a joint venture between Pakistan's Master Group and China's top automaker Changan Automobile, said on Tuesday it had produced 40,000 vehicles in Pakistan, marking a major milestone for the company.

The company celebrated the

achievement at a ceremony at its state-of-the-art plant in Bin Qasim, Karachi, which is Changan's only right-hand drive facility and a key part of its global supply chain, a statement said on Tuesday.

The 40,000 units include vehicles from Changan's diverse portfolio of SUVs, sedans, MPVs and pickups, which have gained popularity

in the Pakistani market due to their quality, performance and affordability.



Dewan Motors teams up to boost EV charging infrastructure

Dewan Motors Pvt. Ltd., the country's authorized BMW importer, have teamed up to boost the electric vehicle (EV) infrastructure in Pakistan.

Dewan had launched the first Plug-

in Hybrid Vehicles in Pakistan with BMW brand back in 2016. Dewan Motors is striving to create awareness of advantages of semi electric and fully electric vehicles in Pakistan and pride to launch the very first charging public station in Clifton, Karachi, which till date provides the BMW customers' with free charging as they enjoy their shopping experience.



with free charging as they enjoy their shopping experience.

BoK, Millat Tractors sign agreement

Bank of Khyber (BoK) and Millat Tractors Limited signed an Memorandum of Understanding (MoU) aimed at facilitating easy access to the diverse range of cutting-edge products that Millat Tractors Limited has for farmers and SMEs.

The MoU was signed by Sajjad Hussain, Regional Head of Sales, Millat Tractors Limited, and Shumail Afghan, Manager of Sales Support & Marketing with Imran Yaqub, Head of Agriculture Finance, BoK. Senior executives from both organizations were present on the occasion.



Auto Sales - Jan'24: Volumetric sales up 81% MoM amid seasonality

During Jan'24, there was a rebound in the automotive industry as sales increased to 10.5K units, showing an 81% MoM rise while a 5% YoY decline. The total sales for 7MFY24 reached 50.0K units, indicating a 48% YoY decline compared to the 95.2K units reported in SPY.

The increase in volumetric sales in Jan'24 can be attributed to several factors: i) the new year buying effect, ii) improvements in the import of Completely Knocked Down (CKD) units due to eased import restrictions,

and iii) increased affordability for consumers, as prices were slightly slashed in 2QFY24.

Breaking down the segments, there was a notable 129% MoM increase in the 1,300cc and above category, contrasting with a 16% MoM decrease in the 1,000cc segment. Conversely, below 1000cc segment demonstrated a 29% MoM surge, reaching a total of 3,118 units.

Indus Motors (INDU) experienced a remarkable 304% MoM increase in sales in Jan' 24, reaching a total of 2,762 units. This surge can be primarily attributed to a substantial 376% MoM

increase in Fortuner and Hilux sales.

Pak Suzuki (PSMC), demonstrated a 22% MoM upturn in overall sales during the same period.

Moreover, Honda Atlas Cars (HCAR) experienced a 49% MoM increase in volumetric sales in Jan'24, attributed to a notable 53% MoM surge in Civic/City sales, reaching a total of 1,207 units.

Tractor sales augmented by 46% MoM in Jan'24. AGTL reported a sharp increase of 99% MoM, recording 1,005 unit sales, while MTL sales arrived at 2,809 units, up by 34% MoM.

A profile of Atlas Battery Limited

Atlas Battery Limited was incorporated in Pakistan as a public limited company in 1966. The company manufactures and sells automotive, motorcycle batteries and energy storage batteries and allied products. Shirazi Investments (Private) Limited is the holding company of ATBA holding 58.86 percent of its shares. The company has signed a technical collaboration with Japan Storage Battery Co. Limited for the production and sale of Japanese batteries in Pakistan. ATBA also boasts itself to be the first battery manufacturer to launch branded distilled water and hybrid battery.

Pattern of Shareholding

As of June 30, 2023, the company has 35.017 million shares outstanding which are held by 2682 shareholders. Associated companies, undertakings

and related parties form the largest shareholder category holding 77.44 percent of ATBA's shares. This is followed by local general public having 18.54 percent stake in the company. Joint stock companies account for 2.14 percent of ATBA's shares. Public sector companies and corporations own 1.38 percent shares. The remaining shares are held by other categories of shareholders.

Recent Performance (1QFY24)

During 1QFY24, ATBA's sales surged by 21 percent year-on-year which was mainly on account of upward price revision as demand remained low on account of seasonality factor. High cost of sales due to inflationary pressure resulted in ATBA's GP margin marching down to 13 percent in 1QFY24 versus



14.1 percent during the same period last year. Distribution and administrative expenses surged by 40 percent and 48 percent respectively during the period

owing to unprecedented level of inflation. Lower profit related provisioning might have resulted in 28 percent thinner other expense incurred during the period. Other income registered 16 percent year-on-year rise during the period. All these factors trickled down to produce 2 percent year-on-year rise in ATBA's operating profit during 1QFY24 with its OP margin falling down to 8 percent from 9.4 percent during the same period last year. Increased borrowings coupled with high discount rate inflated finance cost by 565 percent in 1QFY24, resulting in 46 percent year-on-year dip in the company's net profit which stood at Rs.262.88 million.

TELECOMMUNICATION NEWS

PTCL Group, SNGPL renew partnership for cellular services

The Pakistan Telecommunication Company Limited (PTCL) Group and the Sui Northern Gas Pipelines Limited (SNGPL) have renewed their partnership for the continued provision of the state-of-the-art cellular services to SNGPL under PTCL Group Business Solutions.

Group Chief Business Solutions Officer (GCBSO), PTCL and Ufone 4G, Zarrar Hasham Khan and SNGPL MD/CEO Amer Tufail signed the agreement on Thursday in the presence of senior officials from both



organisations. Under this agreement, the PTCL Group will provide wireless connectivity and a host of bundled services to the SNGPL.

Number of cellular subscribers increases to 189.44m in Dec

The number of cellular subscribers increased from 189.26 million by end-November to 189.44 million by end-December 2023, the Pakistan Telecommunication Authority (PTA) data revealed. The number of 3G and

4G users in Pakistan increased from 126.24 million by end-November to 127.68 million by end-December.

The cellular teledensity, however, declined from 78.98 percent by end-November to 78.93 percent by end-December. Total teledensity decreased from 80.06 percent by end-November to 80 percent by end-December.

Next Generation Mobile Service (NGMS) penetration increased from 52.68 percent by end-November to 53.2 percent by end-December.

Jazz's total count for 3G users declined from 3.569 million by end-November to 3.492 million by end-December. Jazz 4G users increased from 42.754 million by end-November to 43.867 million by

end-December.

Zong 3G subscribers decreased from 2.265 million by end-November to 2.217 million by end-December while the number of 4G users increased from 33.869 million by end-November to 34.202 million by end-December.

Telenor 3G subscribers decreased from 2.477 million by end-November to 2.380 million by end-December while the number of 4G users of Telenor increased from 23.196 million by end-November to 23.300 million by end-December.

Ufone 3G users stood at 2.188 million by end-December compared to 2.230 million by end-November. The number of 4G users of Ufone increased from 14.349 million by end-November to 14.484 million by end-December.



Zong 4G collaborates with Batik to streamline the brand's communication processes and amplify its customer base

Zong 4G and Batik have signed a formal agreement encompassing GSM Connectivity, Attendance Management Solutions, and Push to Talk devices for their dispersed workforce stationed throughout Pakistan

Batik Clothing is a renowned Pakistani clothing brand with a presence in seven major cities of Pakistan. The brand currently has over 14 outlets all-over Pakistan and is considered one of the most reputable clothing brands in Pakistan. CMPAK and Batik have signed a formal agreement encompassing GSM Connectivity, Attendance

Management Solutions, and Talk Devices for their dispersed workforce stationed throughout Pakistan including factories, corporate offices, and outlets. Additionally, this collaboration will also focus on leveraging mobile advertisement to extend the brand's customer base and reach CMPAK's subscribers throughout the country. This partnership is a part

of Zong 4G's effort to revolutionize companies in Pakistan help them digitalize their processes and ultimately upgrade their performance.

This is possible through Zong 4G's initiatives such as Z-Verse, which is a progressive Unified Communication Platform designed for the smooth integration of essential enterprise communication tools. This initiative enables businesses to harness chatbot capabilities across Meta Communication Channels and other over-the-top (OTT) platforms. Furthermore, Zong 4G will ensure fixed connectivity at multiple locations of Batik to streamline communication and ultimately strengthen internal processes.



TRAVEL WORLD

PIA restructuring has been approved

The caretaker federal cabinet has approved the restructuring of Pakistan International Airlines and the privatisation of the First Women Bank Limited on the recommendation of the Privatisation Division.

The meeting of the federal cabinet presided over by Caretaker Prime Minister Anwaar ul Haq Kakar was submitted recommendations for restructuring by the Privatisation Division.

The cabinet meeting was told that PIA has been facing losses for the past several years. The cabinet was informed that in the previous meetings of the cabinet, the appointment of a Financial Advisor was approved

for financial and administrative restructuring of PIA.

The cabinet was further told that the Financial Advisor has formulated a financial restructuring plan for the PIA in keeping with international precedents under which PIA will be divided into two companies, Top-Co and Hold-Co.



The meeting was further informed that the PIA's core operations of engineering, ground handling, cargo, flight kitchen, and training will be incorporated into Top-Co while other entities such as Precision Engineering Complex, the PIA Investment Limited, properties, and other subsidiaries will be included in Hold-Co. These measures would help attract investors to the PIA, the meeting was further informed.

The federal cabinet also directed the Cabinet Sub-Committee on Privatisation to deal with the matters related to the PIA financial settlement of government-owned enterprises as soon as possible. The federal cabinet also approved the privatisation of First Women Bank Limited on the recommendation of the Ministry of Privatisation.

Fly Jinnah expands to UAE with Sharjah flights

Fly Jinnah, Pakistan's low-cost carrier, said that it had started its international operations with the launch of its inaugural flight from Islamabad to Sharjah in the United Arab Emirates recently.

The airline, which began domestic operations in 2023, will operate double daily flights between the two cities, offering customers seamless and convenient travel options and further connectivity

via Sharjah Airport's wide network, a statement said.

Fly Jinnah added two new Airbus A320 aircraft to its existing fleet of three to support the launch of its international operations, boosting its capacity to meet the growing demand for reliable and affordable air travel. Fly Jinnah's fleet expansion, coupled with the

launch of international operations, signifies a strategic move towards offering customers more choices for convenient travel options.

Fly Jinnah's spokesperson said. "This step signifies a milestone for Fly Jinnah, and we are glad to start our international operation by connecting Pakistan's capital city with Sharjah, the cultural city of the UAE."

Fly Jinnah currently connects five major cities in Pakistan, namely Karachi, Lahore, Islamabad, Peshawar, and Quetta, in addition to Sharjah in the UAE.



Emirates offer free entry tickets on stay or stopover in Dubai

Emirates announced an exciting new offer for travellers planning to visit Dubai this winter. Starting from 12th January, people who have bought flights to Dubai or add a stopover in Dubai of 8 hours or more can enjoy free tickets to two of Dubai's biggest attractions – the Museum of the Future and Atlantis Aquaventure.

The Museum of the Future is the

newest jewel in the Dubai skyline where you'll be transported into the world 50 years from now. Furthermore, you can cool off on the slides and rides at Atlantis Aquaventure, the world's largest waterpark.

This special offer is valid on tickets bought between 12th January to 1st February 2024, for travel between 15th January and 31st March 2024. The offer is available in all cabins and bookings made on emirates.com, Emirates call



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