IMPACT OF DECLINING OIL PRICES IN PAKISTAN

INFONALYSIS

MARCH 2015

Research & Development Cell

Karachi Chamber of Commerce & Industry

The gateway to economic prosperity…

Executive Summary

This report covers analysis on precipitous decline in the global oil prices by taking into account brief scenario of the international economic dynamics followed by its associated effect on the macroeconomic situation of Pakistan.

It is rightly said that the contributing factors of plummeting oil prices could be many however increased shale oil gas production by U.S. and Canadian companies, along with the OPEC's decision regarding uninterrupted oil supply are apparently the main reasons behind this whole phenomena. However, geopolitical factors cannot be overlooked in this regard where it is observed that U.S. and Saudi Arab have swamped the already weak market by oversupplying oil probably in order to pressurize Iran and Russia for political issues like nuclear proliferation, Syria and Ukraine crisis.

All these changes have not only affected oil exporting countries at large but economies importing petroleum items are equally experiencing series of multidimensional alterations. The decline in oil prices has been taken as good omen for the developing oil importing nations as it will not only lower their annual oil import bill and in turn improve the balance of trade but will also incentivize consumer spending.

Pakistan, principally an oil importing nation, spends large chunk of its precious foreign exchange reserves, approximately $ 14Bn every year on oil imports. The decline in oil prices is therefore an opportunity to be cashed in for saving up money and spurring economic growth in the country. However this view has been taken other way round as tax agencies of Pakistan reported that price dip will translate into huge revenue losses of up to PKR 68Bn to the govt. that will lead to a deterioration in economic situation and increase IMF's pressure to meet the targets.

Keeping into perspective the lower than expected revenue collection, Govt. of Pakistan, on the suggestion of Finance Ministry, first raised the sales tax on POL items to 22% in Jan.'15 and further to 27% in Feb.'15 from initial 17% in Dec.'14. While, later for Mar.'15, considering the relatively rising international oil prices, it reduced the GST on petrol to 18% and hiked the GST on diesel to an exorbitant level of 37%.

For industrial growth and development, the preeminence of oil cannot be belittled in today's world. In this regard, in Pakistan where industries are already facing tough time in the wake of energy shortages and costly power production techniques, reduction in oil prices came as an opportunity. Thus bloating the GST rate on POL items particularly on diesel to 37%, which is a commercial fuel and largely used by the industries and transport sector, would mean limiting the associated benefits of price declines.

The analysis suggest that increased GST rate on diesel would generate additional revenues of ~PKR 16Bn during FY15 on annualized basis as against last year while PKR 200Bn have already been generated through GST and petroleum levy on diesel and petrol, during

7MFY15 as compared to PKR 196Bn during 7MFY14. Therefore keeping GST rate at 17% on POL items would not have affected the tax collection due to two factors (1) rise in consumption due to low POL prices and (2) petroleum levy collection, being a fixed Rupee value, is collected in the same ratio even after price decline. The dip in oil prices has resulted in increased consumption of petroleum products, raising the overall tax revenue collection.

The government policy is primarily aimed at finding new sources of enhancing tax revenues through which it can bridge the rising gap between budgeted and actual tax collection. It may be assumed that tax machinery was not able to fulfill its tax collection target of PKR 2.8Tn which has already been revised to PKR 2.6Tn due to several factors such as failure in enhancing its tax base, removing loopholes in taxation and introducing major reforms in the country. Therefore, collecting higher taxes through sale of petroleum products has been taken as an easy alternative for making up for the revenue targets.

Petroleum products being one of the primary driver of economic activities, making it costly would fuel in inflation, make manufacturing less competitive for export and restrain the much needed fast paced economic progress. It is, therefore, imperative for the govt. authorities to rationalize the taxes on petroleum products so that common man as well as businesses can be benefitted with the international oil price declines to a greater extent.

Declining oil prices, a recent phenomenon

The precipitous decline of 60% in the international oil prices signals either low demand for oil or its oversupply.

The precipitous decline in the international oil prices by around 60% from $ 107 per barrel back in June last year to touching a low of $ 44 per barrel in January, 2015 signals either low demand for oil or its oversupply. The contributing factors could be many where increasing production of shale oil gas by U.S. and Canadian companies, adding up to 4 million barrel per day to the global economy as against the demand of 92.4 million barrels per day in 2014, along with the OPEC's decision regarding uninterrupted oil supply are the obvious reasons to the sudden slump. Moreover, geopolitical factors cannot be overlooked in the wake of plummeting oil prices where it is said that U.S. and Saudi Arab have swamped the already weak market by oversupplying oil in order to pressurize Iran and Russia for political issues like nuclear proliferation, Syria and Ukraine crisis. The changing scenario has greatly affected various macroeconomic indicators of the economies not only of oil exporting countries but also economies that are importing petroleum items.

How oil prices influence economies?

The oil price fluctuations have a strong effect on the macroeconomic situation though the dynamics may vary from country to country; depending on the nature of dependence of oil and price trends. It is evident that the sudden fall in oil prices observed since mid-2014 would primarily facilitate advanced economies more than developing and emerging countries while in general oil importing nations would be benefitted. It is also indicated on various international platforms of World Bank and IMF that the slump in oil prices would shift the global income from oil producers to consumers, overall output will boost and world economy will enjoy positive economic growth of around 0.4% - 0.8% by the end of 2016.

Owing to low oil prices, its increased use by the consumers and industries is likely to aggravate consumer spending and manufacturing.

As a result of oil prices slump, increased use of oil by the consumers and industries is likely to aggravate consumer spending and manufacturing mainly for the advanced oil importing nations; spurring the economic growth while headline inflation would go down added by the reduced manufacturing cost primarily due to cheaper logistics input and fuel costs. However, the government authorities in some countries like India and Indonesia have grabbed away a portion of the opportunity from consumers and reduced the fuel subsidies which narrowed down the pass through benefits thereby limiting the consumer spending. Either way, the plummeting oil prices will positively affect economic efficiency and public finances in these oil importing emerging economies.

Conversely, the decline in oil prices has an adverse effect on oil producing countries that largely rely on it for earning revenue, for running their development programs and spending on subsidies. Similarly inflationary pressures will be hitting these countries while it is feared that most of these countries would also run fiscal deficits in the coming year except for Kuwait, Qatar and Turkmenistan due to more resilient economies. Venezuelan economy, an OPEC member, has entered into the recession since the oil prices fell and is facing number of serious economic problems. It would require them to diversify their exports pattern, reinvigorating their policy formulation. The whole phenomena of dip in prices may force these countries to increase debt which would downcast their growth prospects in the ongoing year.

Pakistan's waning import bill due to price dip is expected to save the country cumulatively around $ 4Bn (approximately 1% of the GDP) during the ongoing fiscal year.

Pakistan – much sensitive to oil prices

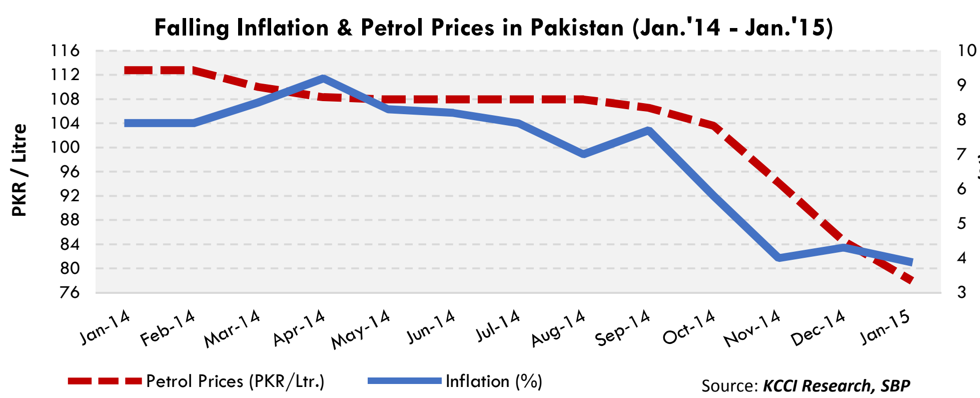
Pakistan, principally an oil importing and a developing country, is much sensitive to oil prices. A series of changes followed in its macroeconomic situation since the falling trend witnessed in the international oil market. The effect of the recent changes is diverse and far reaching, affecting numerous spheres of Pakistan's economy mainly in a positive way.

As large chunk (around $ 14Bn) of Pakistan's precious foreign reserves is spent on importing oil every year; decline in oil prices is largely viewed as an opportunity to be cashed in for saving up money and spurring economic growth in the country. The low prices of petroleum products have resulted in a drop in total imports by 15.9% to $ 3.38Bn in Dec.'14 as compared to $ 4.02Bn in the start of this fiscal year where oil import bill has reduced by 45.7% to $ 0.89Bn in Dec.'14 against $ 1.64Bn in Jul.'14.

This waning import bill due to price dip is expected to save the country cumulatively around $ 4Bn (approximately 1% of the GDP) during the ongoing fiscal year. The drop in imports therefore reduced the deficit in current account figures, posting surplus of $ 76Mn in Dec.'14 as against deficit of $ 820Mn in Jul.'14 thereby improving the balance of payments position of Pakistan.

Another drastic change has been witnessed in the inflation figures during 7MFY15 as it can be observed in the below chart that it dropped to a record level of 3.9% in Jan.'15 as against 7.9% in the start of the fiscal year 2015. This decline in inflation is mainly owed to the plummeting oil prices which reduced transportation and manufacturing cost and stabilized the food prices.

In Pakistan, drastic change is witnessed in inflation dropping to 3.9% and interest rates to 8.5% in Jan.'15 owing to declined oil prices.

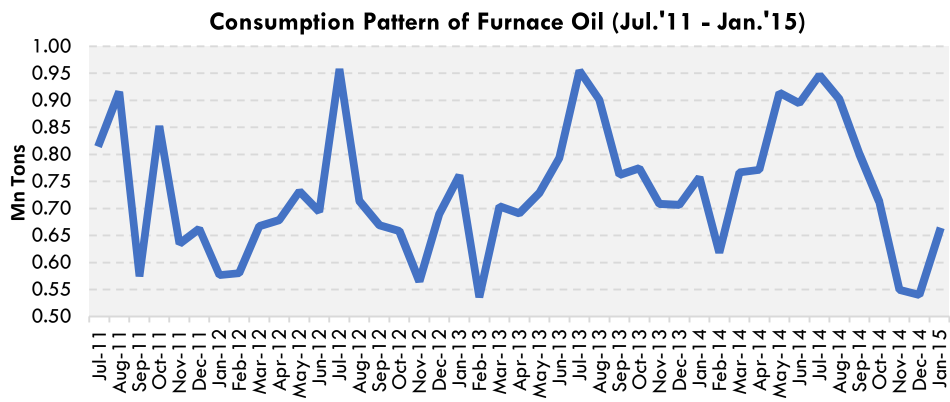


The weakening oil prices also raised the expectations of businessmen and investors to enjoy large cut in the interest rates. The dip prompted State Bank of Pakistan (SBP) first to reduce it by 50 basis points to 9.5% in Nov.'14 and further by 100 basis points to 8.5% in Jan.'15 in line with the decreasing inflationary pressures. As the international oil markets signaling weak oil prices during the entire ongoing year, further decline in discount rates is expected in the forthcoming monetary policy of the SBP.

The dwindling crude prices has caused to lower the average price of furnace oil in Pakistan by almost 50% to around PKR 32,500 in Dec.'14.

The slump in oil prices has shown multifaceted impact on Pakistan's power sector as well. The dwindling crude prices has caused to lower the average price of furnace oil by almost 50% to around PKR 32,500 in Dec.'14 from PKR 64,064 per ton in Jul.14. This, in turn, has shrunk the cost of power generation by more than PKR 2 per unit and is expected to resolve the magnified problem of circular debt faced by the govt. authorities to a certain extent. In this connection, fuel surcharge which is a component of electricity tariffs and covers the cost of furnace oil and gas, has been reduced giving way for cut down in the electricity tariffs and giving leverage to the consumers in their electricity bills. In this regard, power tariffs were brought down by PKR 2.36 per unit.

The decrease in power generation cost is also likely to help in reducing power shortages in the country and facilitate manufacturing. For instance, the garment sector of Pakistan is reported to experience a decline in its overall cost of production by 9% due to relatively low furnace oil prices where captive power plants are also being operated for 24 hours by industrial units.



Source: ***KCCI Research, OCAC***

The garment sector of Pakistan is reported to experience a decline in its overall cost of production by 9% due to drop in furnace oil prices.

Generally the trend shows that the consumption of diesel increases when there is a reduction in furnace oil consumption. The reason being, a portion of diesel is utilized for power generation where its usage usually increases in times of higher load shedding as a replacement of furnace oil. The cost of power generation through furnace oil is relatively cheaper as compared to the diesel. Moreover diesel is mostly used in commercial transportation where its demand is more dependent on the economic activities.

Therefore, it is expected that in the current scenario, the consumption of diesel would pick up with a lag in the transportation sector depending upon the upsurge of economic activities. On the contrary, the diesel consumption in the power sector might witness a decline in wake of reduced load shedding due to higher electricity generation through furnace oil. This would be possible as more funds might be available for buying cheaper furnace oil resulting from reduced circular debt. However the decision to impose a 5% regulatory duty might prove to be counterproductive making the fuel costlier adding a

The consumption pattern of petrol and diesel has been showing positive trend since the start of FY15 where their prices have experienced a steep slump.

burden on circular debt.

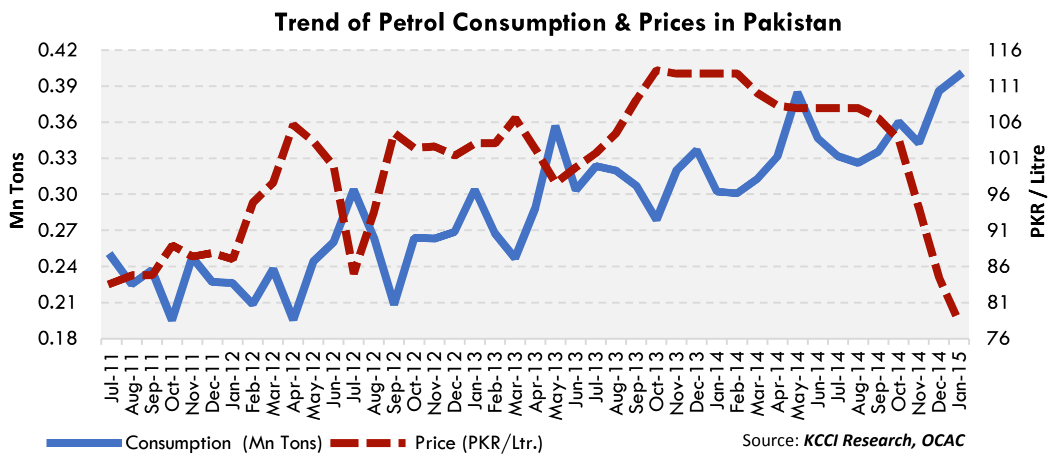
There is a need to make best use of this unique phenomena of oil prices slump. This also calls for managing the inventory of petroleum products and contingent plan for ensuring supply of funds in the wake of circular debt. It was witnessed in 2014 that the country faced sheer shortages of petrol despite very low prices which was mainly attributed to low inventories and liquidity crunch. A clear pre-defined mechanism and segregated funds accounts may be put in place to avoid any such mismanagement from recurring.

Impact of Declining Oil Prices on POL Consumption

The price elasticity of demand of POL products is an important measurement for analyzing the impact of change in prices with respect to the change in demand of a certain commodity. Waning oil prices in the world has largely brought a surge in the demand of POL items in Pakistan.

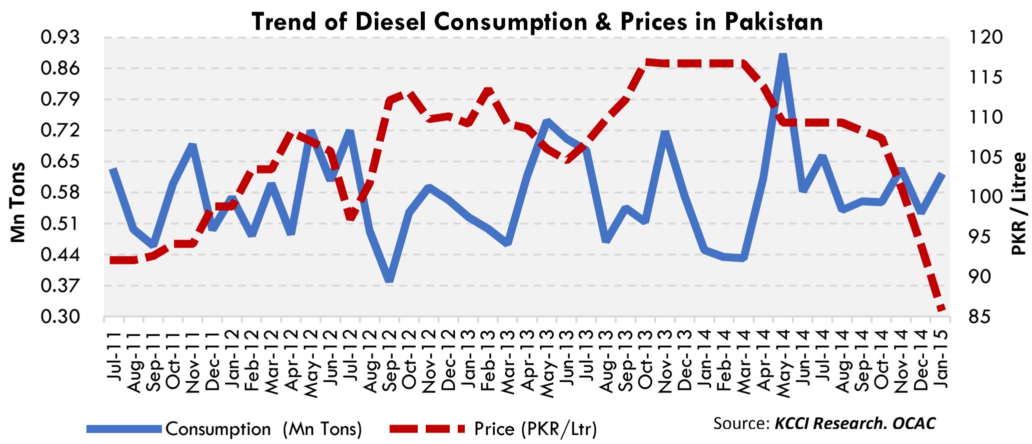
The consumption pattern of POL items particularly petrol and diesel has been showing positive trend since the start of FY15 where their prices have experienced a steep slump.

The whopping 27% decline in petrol prices since Jun.'14 has raised consumption by 15% showing price elasticity of demand to be strong.



The whopping decline of 27% in Pakistan's petrol prices since Jun.'14 has raised the consumption of this transport fuel by 15 % showing price elasticity of demand for petrol to be strong. The petrol was being sold for PKR 107.97 per liter in Jun.'14 and fell to PKR 78.28 per liter by Jan.'15 in the local market where the petrol consumption increased in tandem to 0.39Mn tons from earlier 0.34Mn tons.

For achieving revenue target, Govt. raised GST on POL items to 22% in Jan.'15 and further to 27% in Feb.'15 from initial 17% in Dec.'14. While in Mar.'15, Govt. reduced GST on petrol to 18% and on diesel, it hiked to an exorbitant level of 37%.



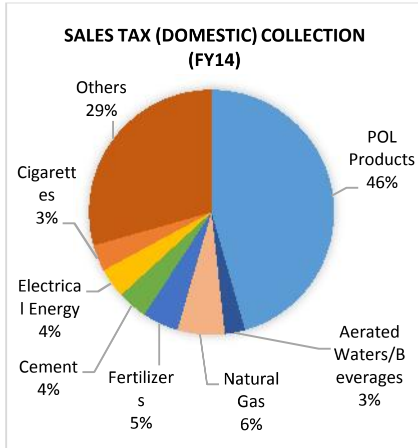
Similarly, diesel prices also dropped in Pakistan by around 21% to PKR 86.23 per liter in Jan.'15 as against PKR 109.34 per liter Jun.'14. The decline in diesel prices resulted in a 5.6% increase in its consumption showing inverse relationship between price and consumption of this commercial fuel. After analyzing their price and consumption trend, it can be inferred that the price elasticity of demand is fairly elastic.

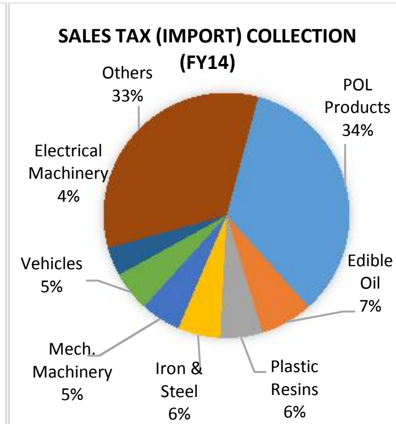
Revenue Collection & Spillover Effect of Declining oil prices in Pakistan

Oil price decline will not only lower oil import bill and improve trade balance but will also incentivize consumer spending. However in Pakistan, tax agencies have reported that the price dip will translate into huge revenue losses.

The decline in oil prices has been taken as good omen for the developing oil importing nations where it is said that it will not only lower their annual oil import bill and in turn improve the balance of trade but will also incentivize consumer spending and spur economic growth. However in Pakistan, this view has been taken other way round where tax agencies have reported that the price dip will translate into huge revenue losses to the govt., putting IMF's pressure on the country and will lead to a deteriorating economic situation.

The finance ministry was informed that the decline in oil import bill by estimated $ 4Bn will give the revenue loss of PKR 68Bn as 17% of GST will not be collected on the value which is collected every year; leaving tax machinery in difficult situation to achieve its revised revenue target of PKR 2.6Tn. During FY14, out of total sales tax collection (import and domestic stages) of PKR 1Tn, around 40% i.e. PKR 400Bn was collected from POL products only.





Source: ***KCCI Research, FBR***

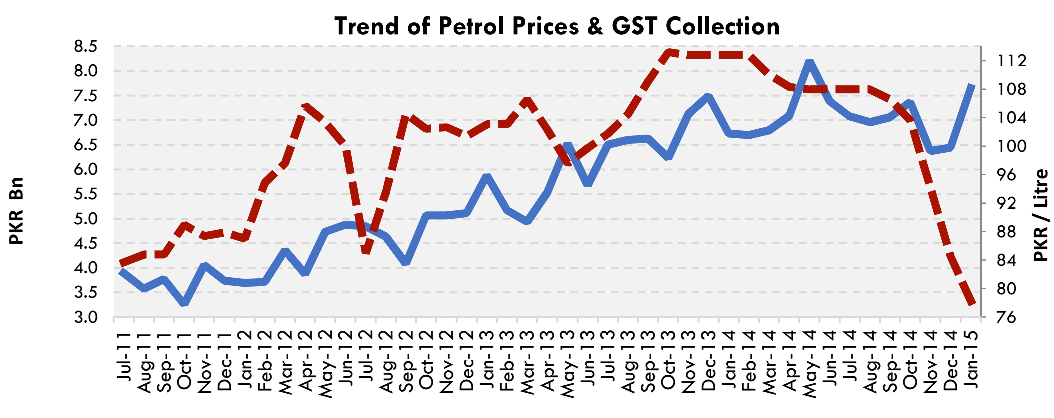
Despite a steep drop in petrol prices by 21% since Jun.'14, tax collection has increased by 3.5% due to increase in petrol consumption by 20%.

To subside with the after effects of this international phenomena, the govt. was suggested with the rise in sales tax on POL items as a tool for avoiding low tax collection. Keeping this into perspective, government authorities increased the sales tax on POL items first by 5% to 22% in Jan.'15 and then further 5% to 27% in Feb.'15 respectively from initial 17% in Dec.'14 for achieving its revenue target successfully. While, later in Mar.'15, considering the relatively rising international oil prices, it reduced the GST on petrol to 18% and hiked the GST on diesel to an exorbitant level of 37%.

It is of no doubt that the decline in oil prices do have spillover effect on the government's revenue associated with it. However it is worthwhile to mention that due to sensitivity of price elasticity of demand, as shown above, there would a noticeable rise in per liter consumption of major POL items like petrol and diesel.

In the below chart, trend of price and sales tax collection on transport fuel "petrol" has been shown in order to analyze the relationship between these two largely affected variables these days in Pakistan. Here, it is interesting to note that despite a steep drop in petrol prices, the total GST collection has increased.

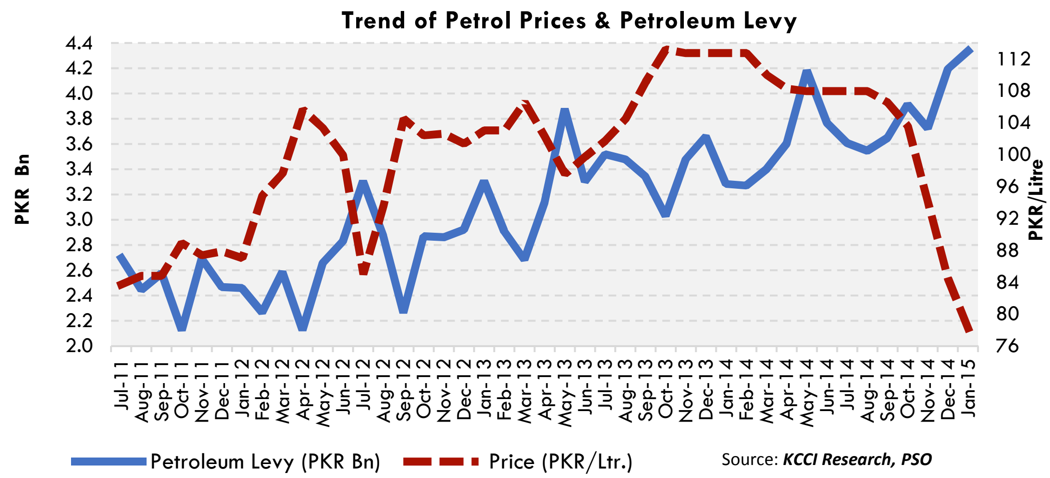
Drop in diesel prices by 27% since Jun.'14 has raised GST collection on this fuel by 2.5% owing to the rise in consumption by 5.6%.



Source: ***KCCI Research, OCAC***

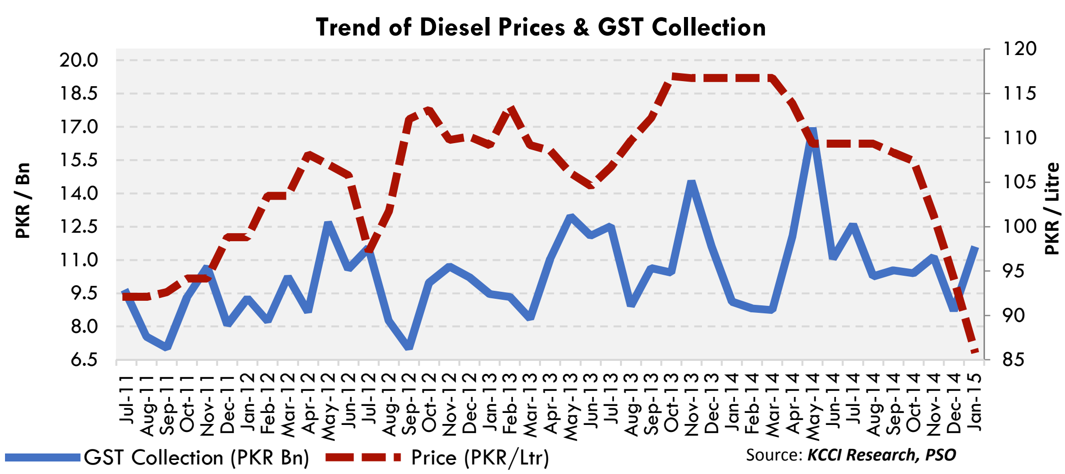
It shows that the increase in consumption has actually outweighed the effect of decline in prices. In Jun.'14, prices were at PKR 107.97 while tax collection was at PKR 7.39Bn however as prices declined to PKR 78.28 in Jan.'15, tax collection increased to PKR 7.65Bn. Thus despite a steep drop in prices, the surge in consumption caused to raise the overall sales tax collection on petrol.

Diesel prices dropped by 21' in Jan.'15 since start of FY1 The decline in diesel pric resulted in 5.6% increase in consumption.



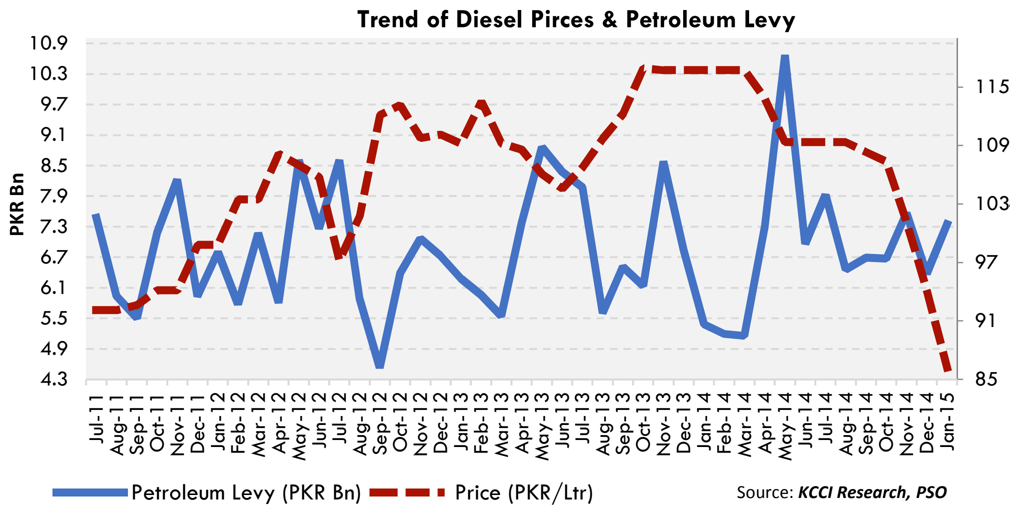
Likewise, not only an increase was witnessed in GST collection but the overall collection of petroleum levy also surged by substantial amount on the back of higher consumption. The petroleum levy is charged at the rate of PKR 8 on Petrol and PKR 10 on diesel. Being a fixed value, this levy is independent of price fluctuations. It can be observed in the chart that decline in prices to PKR 78.28 in Jan.'15 from PKR 107.97 in Jun.'14 has inched up petroleum levy by 15% to PKR 4.34Bn from PKR 3.77Bn in Jun.'14 generating greater revenues for the govt. in the form of total tax collection.

POL prices and GST collection have shown inverse relationship where decline in prices gave rise to collection in Pakistan.



Similarly, in case of diesel, the amount of GST collected in Jan.'15 was PKR 11.34Bn which also slightly higher than the GST of PKR 11.06Bn collection in Jun.'14 despite a 21% drop in local diesel prices. The price of this commercial fuel dipped to PKR 86.23 in Jan.'15 as against PKR 109 in Jun.'14. Thus both prices and sales tax collection shown negative relationship where decline in prices gave rise to collection.

Although overall tax collection during 7MFY15 on diesel dropped by 0.7% and on petrol, it rose by 6.7% however cumulative tax collection on both POL items has improved by 2% where govt. collected PKR 200Bn through GST and Petroleum levy collection as against PKR 196Bn in 7MFY14.



The collection of petroleum levy on per liter sale of diesel also surged by 5.6% where it summed up to PKR 7.37Bn in Jan.'15 in comparison to PKR 6.96Bn in Jun.'14. Thereby defying the general perception of a substantial loss to the national exchequer due to steep drop in prices.

Rise in consumption to partially offset drop in POL revenues

Among all the recent events of plummeting oil prices on the international front up to the changes made in sales tax rate of POL items in Pakistan, the important part of analysis which is increase in POL consumption and its impact on tax revenues needs to be kept in focus.

In case, rise in 37% GST on Diesel would generate additional revenues of around PKR 17Bn during FY15 on annualized basis as compared to what was generated during FY14 which is quite high.

% Change in Prices, Consumption & Taxes of Petrol & Diesel

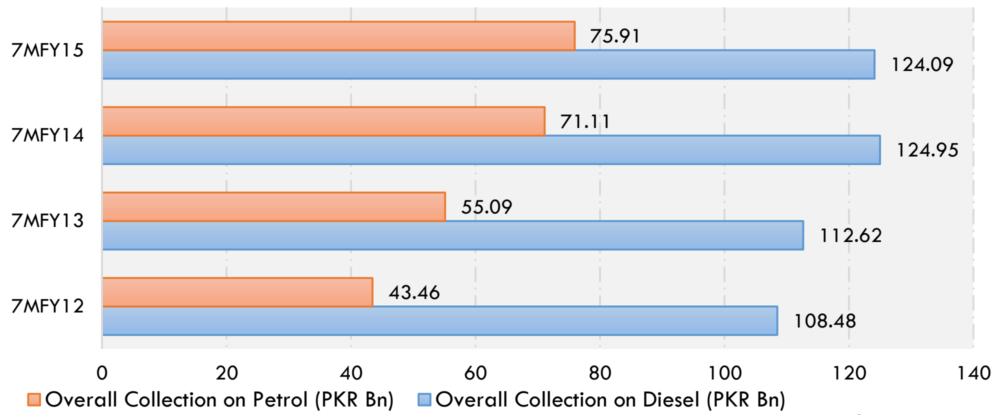
	Petrol			Diesel		
	MoM (Jan'15)	YoY (Jan.'15)	YoY (7MFY15)	MoM (Jan'15)	YoY (Jan'15)	YoY (7MFY15)
Price	-7.4%	-30.6%	-10.9%	-8.4%	-26.1%	-10.1%
Consumption	3.4%	32.0%	13.4%	15.2%	36.6%	4.0%
GST	18.8%	13.8%	3.4%	31.1%	25.2%	-3.5%
P.L	3.4%	32.0%	13.4%	36.6%	36.6%	4.0%
Revenue Collection	12.7%	19.8%	6.7%	24.4%	29.5%	-0.7%

Source: *KCCI Research, OCAC, OGRA*

The above chart can be viewed for analyzing changes as it shows al-though overall tax collection on diesel dropped by 0.7% and on petrol, it rose by 6.7% however cumulative tax collection on both POL items has improved by 2% where govt. collected PKR 200Bn during 7MFY15 through GST and Petroleum levy collection as against PKR 196Bn in Jul.-Jan. FY14.

Due to rise in consumption and petroleum levy collection, declining oil prices have not affected the total tax revenues of the govt. authorities to the extent as was expected.

Comparison of Tax Collection on Diesel & Petrol (PKR Bn)



Source: ***KCCI Research, OGRA, OCAC***

Furthermore, the below table shows the estimated annualized revenue collection on petrol during FY15. In this case, it is evident that keeping GST at 17% would still generate same revenues for govt. as were collected during FY14 when petrol prices were high but consumption was low. On raising GST rate to 18%, it will generate more revenues as were collected during FY14.

Petrol

	GST (PKR Bn)	P.L (PKR Bn)	Total Revenue Collection
FY12 (GST @ 16%)	47.54	29.94	77.48
FY13 (GST @ 16%)	62.53	36.32	98.85
FY14 (GST @ 17%)	83.49	42.02	125.51
FY15 (If GST @ 17%)*	79.18	48.67	127.85
FY15 (If GST @ 18%)*	80.29	48.67	128.96
FY15 (If GST @ 22%)*	84.51	48.67	133.18
FY15 (If GST @ 27%)*	89.44	48.67	138.10

* Figures are calculated at constant GST rate for Mar.-Jun and P.L. at standard rate.

Source: ***KCCI Research, OCAC, OGRA***

Further surge would also be observed in remaining months of FY15 as oil prices have started to increase and consumption is also higher.

In case of Diesel, rise in GST rate to 37% would generate additional revenues of PKR 20Bn during FY15 on annualized basis as against FY14 which is quite high.

Diesel

	GST (PKR Bn)	P.L (PKR Bn)	Total Revenue Collection
FY12 (GST @ 16%)	111.86	81.67	193.54
FY13 (GST @ 16%)	120.95	81.61	202.55
FY14 (GST @ 17%)	137.46	82.42	217.88
FY15 (If GST @ 17%)*	122.07	85.78	207.85
FY15 (If GST @ 22%)*	130.39	85.78	216.17
FY15 (If GST @ 27%)*	138.04	85.78	223.81
FY15 (If GST @ 37%)*	151.65	85.78	237.42

* Figures are calculated at constant GST rate for Mar.-Jun. and P.L. at standard rate.

Source: ***KCCI Research, OCAC, OGRA***

It was mainly due to two factors (1) rise in consumption and (2) petroleum levy which govt. still collects in the same ratio even when price declines on POL items. Based on the ongoing pattern of petrol and diesel consumption, declining oil prices have not affected the total tax revenues of the govt. authorities to the extent as was expected.

The analysis of estimates suggest that increase in tax rates to 18% in Petrol and 37% in case of Diesel will reap higher revenues to the level that will surpass past tax collections when oil prices were still high in the world. Moreover, it is also anticipated that additional surge in total tax collection would be observed on petroleum products in coming months of FY15 as oil prices have started to increase and consumption is also higher.

Moreover, during the time when petroleum prices were high, many vehicles converted to CNG not only from petrol but also from diesel. This shift to CNG particularly of commercial vehicles strained the use of already scarce resource of natural gas. However; under the recent scenario, this important resource can be conserved by lowering the prices of petrol and diesel, thus effectively diverting CNG from transport sector and saving it for other priority areas like domestic consumption and fertilizer sector.

Rationalization of Policy for good

The decline in POL prices has no doubt triggered a series of fluctuations in the macroeconomic situation of Pakistan affecting local economy. Nevertheless, plummeting petroleum prices are not the reason of low tax collection but it has incentivized customers to consume more of both transport and commercial fuel, giving impetus to increased economic activity.

The government policy is primarily aimed at finding new sources of enhancing tax revenues through which it can bridge the rising gap between budgeted and actual tax collection. It may be assumed that tax machinery was not able to fulfill its tax collection target of PKR 2.8Tn which has already been revised to PKR 2.6Tn due to several factors such as failure in enhancing its tax base, removing loopholes in taxation and introducing major reforms in the country.

The tax machinery has already levied heavy taxes on POL items in the form of 17% GST and fixed petroleum levy applicable, thus increase to the higher GST rate has not only narrowed down the benefit of the consumers associated with decline in per unit prices but would also stiffen the competition for local manufacturers in the global market in the form of relatively higher manufacturing cost in the region.

Therefore instead of making petroleum products costlier by increasing the tax rate under the disguise of making for the loss of tax collection due to price slump. The appropriate approach should be to focus more on economic growth and export competitiveness. A broad base tax reform strategy should be adopted to meet the allocated revenue collection targets rather than taking the easy way out of merely increasing tax rates. The govt. should also resort to increase focus on administering stringent pricing controls so that the benefits of ease in fuel costs may be passed on to all sectors of the economy and to be translated into increased economic growth and prosperity.

Petroleum products being one of the primary driver of economic activities, making it costly would fuel in inflation, make manufacturing less competitive for export and restrain the much needed fast paced economic progress. It is, therefore, imperative for the govt. authorities to rationalize the taxes on petroleum products so that common man as well as businesses can be benefitted with the international oil price declines to a greater extent.

Disclaimer

*This report produced by **KCCI Research & Development Cell (KCCI Research)** contains information from sources believed to be trustworthy; it is not guaranteed that the matter is accurate or complete. This report may not be reproduced, distributed or published by any person for any purpose whatsoever, without the prior written permission/approval of KCCI and/or KCCI Research. It is not intended as professional and/or financial advice nor does any information contained herein constitute a comprehensive or complete statement of the matters discussed or the law relating thereto. The information in this report is not intended as an offer or recommendation to buy, sell or call on any commodity, security, currency, product, service or investment.*

Analyst Certification

The views expressed in this report accurately reflect the personal views of the Analyst(s). The Analyst(s) involved in the preparation of this report, certify that (1) the views expressed in this report accurately reflect his/her/their personal views about all of the subject sectors and topics and (2) no part of their compensations were, are or will be directly or indirectly related to the specific recommendations or views expressed in this report.

*The **Analyst(s)** compile this document based on opinions and judgments, which may vary and be revised at any time without notice. KCCI Research makes no exemplification as to its exactitude or completeness and it should not be relied upon as such. This report is provided only for the information of members of KCCI and business community representatives who are expected to make their own corporate decisions and investment without undue reliance on this report and KCCI Research accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. The views expressed in this document are those of KCCI Research and do not necessarily reflect those of KCCI or its management.*

The information contained in any research report does not constitute an offer to sell commodities / securities / currencies or the solicitation of an offer to buy, or recommendation for investment within any jurisdiction. Moreover, none of the research reports is intended as a prospectus within the meaning of the applicable laws of any jurisdiction and none of the research reports is directed to any person in any country in which the distribution of such research report is unlawful. The information and opinions in each research report constitute a judgment as at the date indicated and are subject to change without notice. The information may therefore not be accurate or current. The information and opinions contained in research reports have been compiled or arrived at from sources believed to be reliable in good faith, but no representation or warranty, express or implied, is made by KCCI as to their accuracy, completeness or correctness and KCCI also does not warrant that the information is up to date. Moreover, the reader should be aware of the fact that investments in commodities, currencies, undertakings, securities or other financial instruments involve risks. Past results do not guarantee future performance.

Karachi Chamber of Commerce & Industry

The gateway to economic prosperity…

Address

Aiwan-e-Tijarat Road,
Off: Shahrah-e-Liaquat,
Karachi-74000

Phone: 92-21-99218001-09 Ext.: 136
Fax: 92-21-99218040
E-mail: info@kcci.com.pk, res@kcci.com.pk
Website: www.kcci.com.pk