

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Pakistan

Oilseeds and Products Update

Oilseeds and Products Update 2012

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Report Highlights:

During MY 2011/12 oilseeds imports are expected to be less than the previous year due to lower exportable supplies on account of reduced production in Canada and Australia. Significant edible oil imports were witnessed during January -September 2012, with trade balance shifting towards Indonesia as its oil becomes more competitive due to cuts on its export tariff. During this period, Pakistan imported 551,899 metric ton of oilseeds and 1.506 million tons of edible oil. No changes resulted in the PSD tables.

Post:
Islamabad

Commodities:

Executive Summary:
Status of edible Oils in Pakistan

Pakistan's vegetable oil production is not sufficient to meet domestic demand so the balance is met through imports. The share of imported oil in total consumption is about 75 percent. Refined palm oil accounts for 85 percent of Pakistan's total edible oil imports as it has a lower price compared to other oils. Blending palm oil with local oils and selling it as cooking oil/ ghee makes up around 99 percent of vegetable oil supply.

Oilseeds Imports Matrix

During MY 2011/12 oilseeds imports are likely to decrease due to a significant drop in production in the main rapeseed producing countries - Canada and Australia. Reduced production has tightened supplies leading to escalating prices and forcing importers to look for alternatives. Table-1 provides oilseed import statistics for the last two years along with imports for the period January to September 2012.

Table 1: Oilseed import Statistics
(Figures in Metric Tons)

Product	CY-2010	CY-2011	Jan-Sept 2012
Rapeseed/canola	1,164,914	736,539	541,328
Sunflower	0	186,208	10,571
Soybean	10	10	0
Total	1,164,924	922,757	551,899

Palm Oil Witnessed a Significant Increase in Imports during January - September 2012

According to trade statistics for the period January-September 2012, imports of palm oil and its products increased by 33 percent compared to imports made during the corresponding period last year. Trade sources attribute this significant increase to lower prices compared with the prices of major competing oils and oilseeds in the international market. Overall, palm oil prices have declined due to growing stocks in Malaysia and Indonesia. Table-2 provides month-wise and item-wise imports of edible oil for CY 2011 and January- September 2012. Table-3 provides edible oil import statistics for the last two years along with imports up to September 2012.

Table 2: Edible Oil Import Statistics (Month Wise) (Figures in Metric Tons)

IMPORT OF EDIBLE OILS IN PAKISTAN (BASIS ARRIVAL) IN MT	
FOR JAN-DEC 2011	FOR JAN-SEPT 2012

2011	OLIEN	CPO	RBDPO	CDSB O
Jan	162,109	70,710	4,949	0
Feb	48,739	26,498	5,500	20,900
Mar	81,605	39,752	1,449	0
Apr	64,899	36,999	6,400	0
May	106,657	60,848	8,498	0
June	25,748	74,943	10,004	0
July	118,839	87,971	30,589	22,300
Aug	72,619	73,346	23,249	0
Sep	48,440	66,198	10,247	0
Sub Total	729,655	258,465	100,885	43,200
1,132,205				
Oct	47,060	60,998	30,240	0
Nov	10,869	89,242	84,736	0
Dec	85,341	61,495	47,582	8,000
Grand Total	970,747	749,000	263,443	51,200
2,034,390				

2012	OLIEN	CPO	RBDPO	CDSB O
Jan	91,650	75,997	45,721	0
Feb	42,247	5,999	20,250	0
Mar	33,496	30,967	41,887	0
Apr	33,698	34,500	91,139	0
May	54,495	37,971	97,386	0
June	123,307	35,496	83,773	29,000
July	111,149	32,999	72,516	0
Aug	95,479	14,499	66,240	11,500
Sep	18,249	27,565	47,195	0
Sub Total	603,770	295,993	566,107	40,500
1,506,370				
Oct				
Nov				
Dec				
Grand Total	603,770	295,993	566,107	40,500
1,506,370				

Table 3: Edible Oil import Statistics (Year Wise)

(Figures in Metric Tons)

Product	CY-2010	CY-2011	Jan-Sept 2012
Palm Olien	1,211,367	970,747	603,770
RBDPO	184,202	263,443	566,107
CPO	491,898	749,000	295,993
CDSBO	45,950	51,200	40,500
Total	1,887,467	2,034,390	1,506,370

Shifting Trade Balance

Pakistan signed a Free Trade Agreement (FTA) with Malaysia in May of 2007 and a Preferential Trade Agreement (PTA) with Indonesia in February 2012. Under these agreements, both countries are providing 15 percent margin of preference on the import of palm oil and products from the MFN rate of Rs 9,100 for palm olein, Rs 10,850 for RBDPO, and Rs 8,050 for CPO. Up to last year Malaysia was enjoying 90 percent share in total palm oil trade to Pakistan. However in 2012, due to the entry into force of the Preferential Trade Agreement and the Indonesian government's move to reduce its palm oil export tariff, Indonesian palm oil has gained market share over Malaysian palm oil. Year-to-date imports reveal that Malaysian palm oil share in the Pakistani market decreased from 90 to 76 percent,

whereas, Indonesia improved its share from 10 to 24 percent (Table-4).

Table 4: Palm Oil and Products Import from Malaysia and Indonesia

Import of Palm Oil Products From Malaysia and Indonesia During Jan-Dec 2011 in M.T					
PRODUCT	MALAYSIA	%	INDONESIA	%	TOTAL
OLIEN	928,213	96	42,534	4	970,747
RBDPO	160,552	61	102,891	9	263,443
CPO	697,012	93	51,988	7	749,000
Sub Total	1,785,777		197,413		
Total Import			1,983,190		
MALAYSIAN SHARE (%)			90		
INDONESIAN SHARE (%)			10		

Import of Palm Oil Products From Malaysia and Indonesia During January-September 2012 in M.T					
PRODUCT	MALAYSIA	%	INDONESIA	%	TOTAL
OLIEN	583,430	97	20,340	3	603,770
RBDPO	237,673	42	238,434	8	566,107
CPO	295,993	100	0	0	295,993
Sub Total	1,117,096		348,774		
Total Import			1,465,870		
MALAYSIAN SHARE (%)			76		
INDONESIAN SHARE (%)			24		

RBDPO: Refined Bleached Deodorized Palm oil

CPO: Crude Palm Oil

CDSBO: Crude Deodorized Soybean Oil