SECTOR STUDY . MARCH 2025

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EDIBLE OIL

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Edible Oil

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Edible Oil

Production Process

Oilseeds

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Edible Oil

Global | Overview

- Edible oil is one of the essential items required for cooking and food preparation. The most commonly used edible oil products are soybean oil, palm oil, sunflower oil, cottonseed and rapeseed oil, coconut oil, olive oil, palm kernel oil and peanut oil. All types of edible oil are mainly used for human consumption. Soybean oil is also used as feed for poultry and livestock.

- The global edible oil market turnover declined for second year in a row by ~2.7% YoY in MY24 as average global prices were down by ~5.8% YoY, recording at USD~1,399/MT during the year. Total edible oil production comprised ~34.5% palm oil and ~28.3% soybean oil in MY24.

- Indonesia and Malaysia were the largest producers of palm oil with ~56.4% and ~25.8% shares, respectively, in the global palm oil production. China made up ~28.3% of the soybean oil production, followed by the USA with a share of ~19.6% during the year.

- In MY24, the overall edible oil consumption increased ~3.0% YoY and was recorded at ~217.0mln MT on the back of increase in population levels and lower prices. Moreover, in MY24-33, global per capita consumption of vegetable oil is expected to grow by ~0.3%.

Particulars	Units	MY22	MY23	MY24
Sector Revenue*	**USD bln**	302	254	247
YoY Growth	**%**	11.0%	-16.0%	-3.0%
Share in Global GDP	**%**	0.3%	0.3%	0.2%
Production	**mln MT**	208.6	217.3	221.6
Consumption	**mln MT**	203.0	211.1	217.5
Consumption per Capita	**KG**	25.3	26.2	26.8

***Note**: Marketing Year (MY) for most countries are on an Oct/Sept Marketing Year basis. Mexico is on a Sept/Aug MY. Paraguay and Peru are on a Jan/Dec MY and Bolivia is on a Mar/Feb. *Estimated using Consumption and Price levels.*

Source: USDA, IMF, OECD

Edible Oil

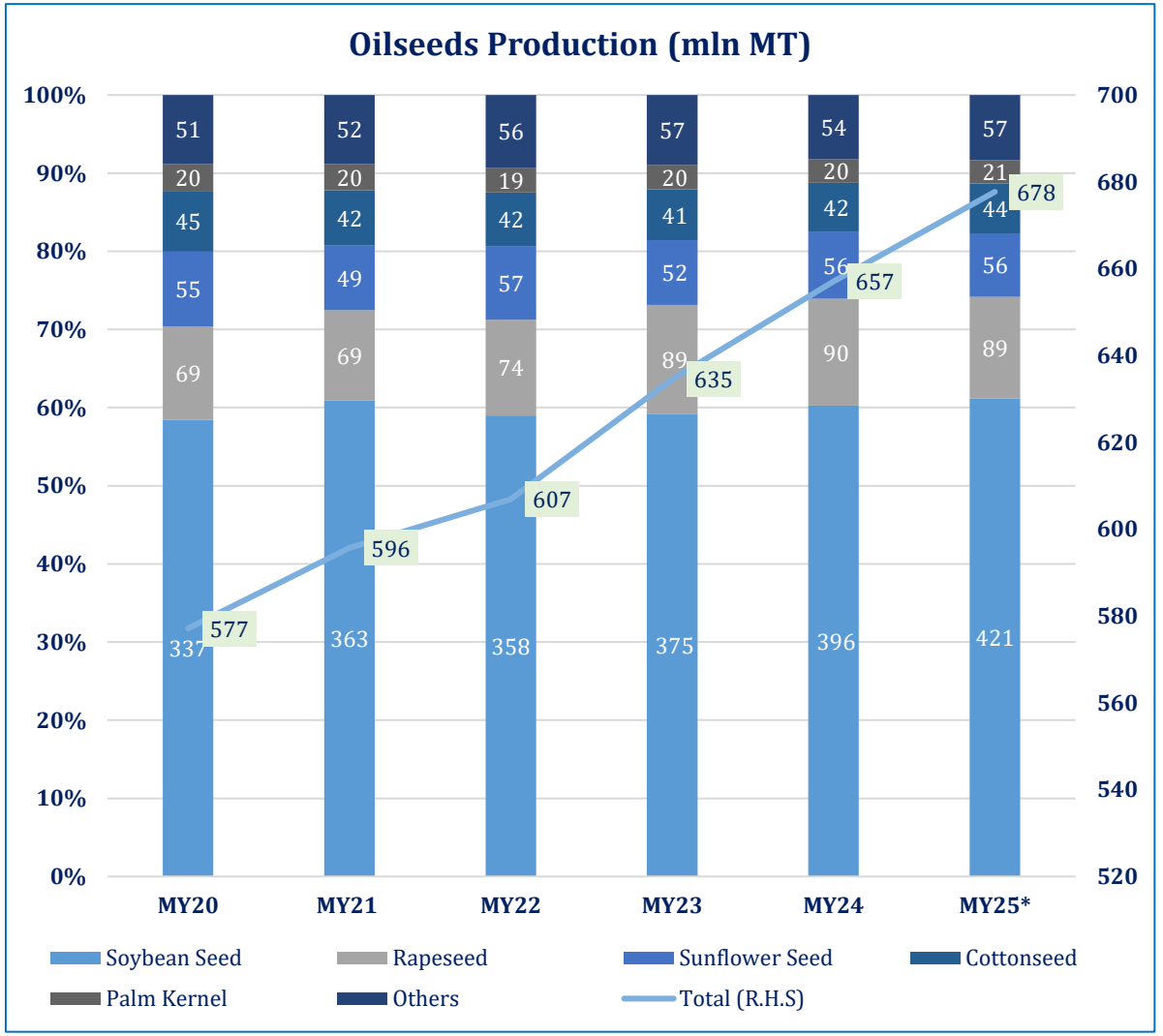
Global | Oilseeds Production

- Global oilseeds production recorded at ~657.1mln MT in MY24, up ~3.0% YoY, owing mainly to ~-72.5% YoY higher production in Argentina on the back of favorable weather conditions and abundant rainfall during the year.

- Brazil was the major producer for soybean seed. Meanwhile soyabean seed made up ~62.1% of the global oilseeds production during the year followed by rapeseed (~13.5%) and sunflower seed (~8.5%).

- Rapeseed production marginally improved ~0.5% YoY to ~89.0mln MT on the back of increased production in Canada and Australia due, in turn, to improved growing conditions for oilseeds and bumper crop in MY24, respectively. Sunflower seed production marginally increased ~6.1% YoY, owing to ~5.8% YoY higher production recorded in Russia (there was a ~10.0% YoY increase in area acreage during MY24).

- In MY25, global oilseeds production is forecast to increase ~3.2% YoY to ~678.0mln MT, mainly on account of ~6.5% YoY increase in soybean seeds output. This is likely due to expected increase in crop acreage in Brazil.



*Forecast.

Source: USDA

Edible Oil

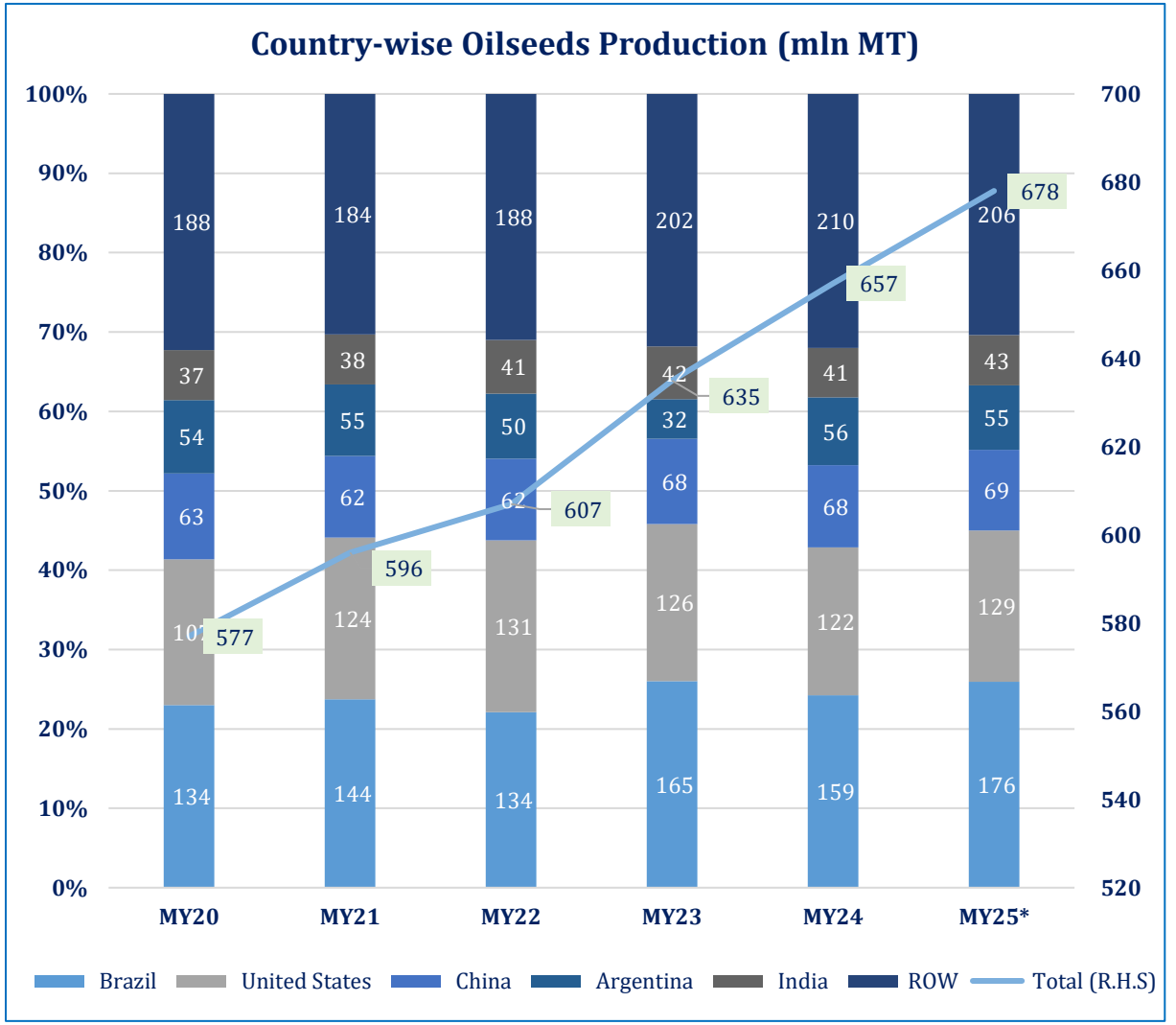
Global | Oilseeds Production

- Brazil and the USA continued to be top producers of oilseeds in MY24, with a collective share of ~45.8% in the global oilseeds production (SPLY: ~44.0%). Meanwhile, China, Argentina and India recorded ~10.5%, ~8.2% and ~6.2% shares, respectively (SPLY: ~10.7%,~4.9% and ~6.6%).

- Brazil recorded a ~3.6% YoY decline in soybean seed production while in the USA, this was down ~3.2% YoY due to lower acreage.

- Meanwhile, Argentina formed ~12.2% of global soybean seed output and recorded ~72.5% YoY increase in MY24 due to favorable weather conditions.

- Canada was the largest producer of rapeseed with a ~22.0% share in global rapeseed output in MY24, while China accounted for ~18.5% of the global rapeseed production during period under review. With respect to sunflower seed, Russia remained the largest producer with ~30.5% global share in MY24, same as SPLY.



*Forecast.

Source: USDA

Edible Oil

Global Oilseeds | Trade

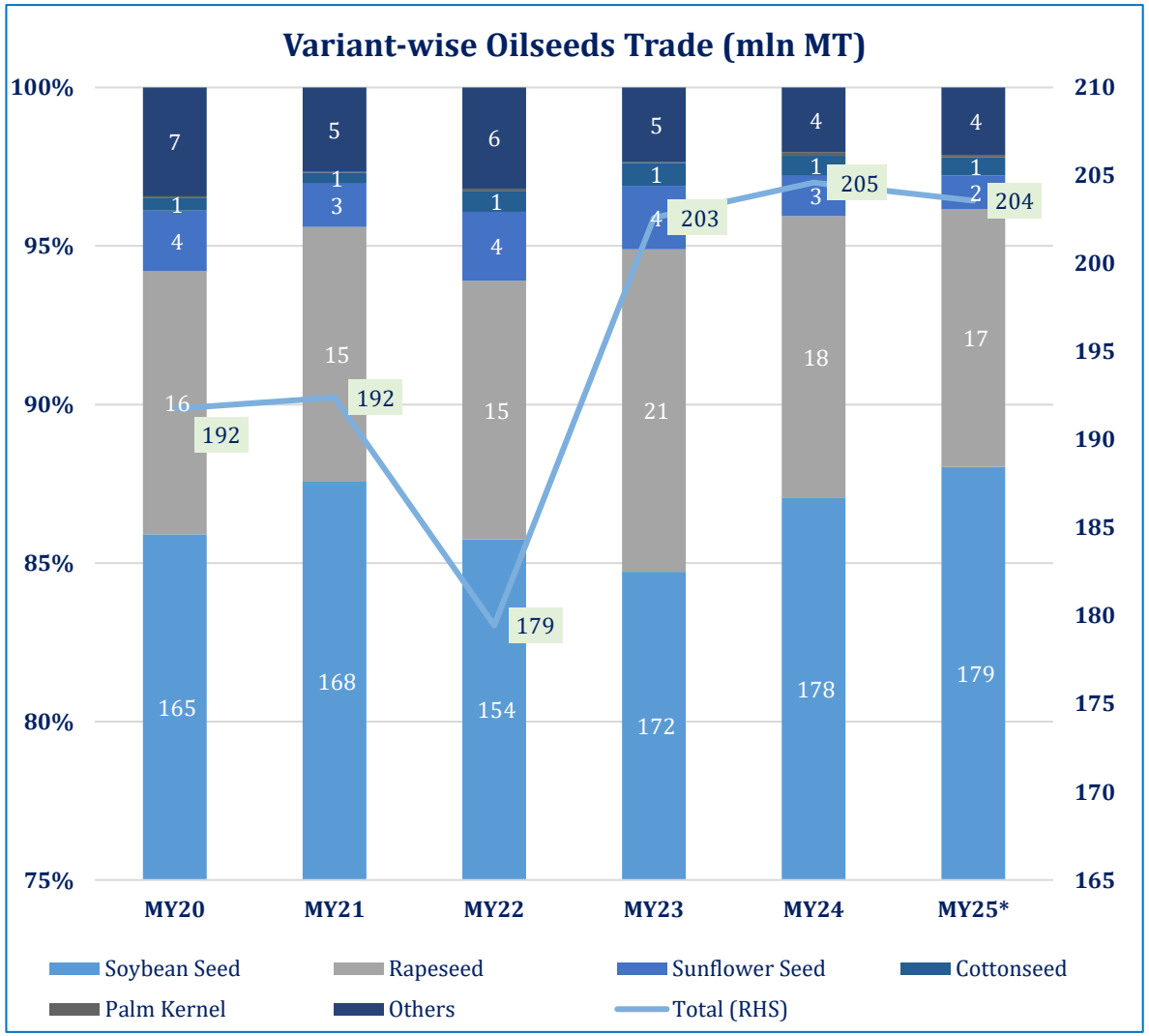
- In MY24, global oilseeds trade stood at ~204.0mln MT, up ~3.2% YoY, majorly on the back of ~3.3% YoY higher soybean seed exports, which had offset the ~33.1% YoY lower sunflower seed exports by Russia.

- Soybean seed had ~87.0% average share in global oilseeds trade during MY20-24 and recorded ~86.8% share in MY24 (SPLY: ~84.7%), while rapeseed and sunflower seed accounted for ~10.1% during MY24 (SPLY: ~12.2%).

- In MY24, Brazil and the USA cumulatively accounted for ~84.6% of the global soybean seed exports (SPLY: ~86.9%), while China made up ~62.8% of global soybean seed imports (SPLY: ~61.9%).

- Canada was the largest exporter of rapeseed with ~42.8% share in the global rapeseed exports in MY24 (SPLY: ~40.6%), whereas the EU and China were the top importers with a collective share of ~59.5% (SPLY: ~60.7%).

- In MY25, global oilseeds trade is expected to inch down by ~1.0% YoY likely on the back of lower trade estimates of Argentina owing to increase in domestic consumption.



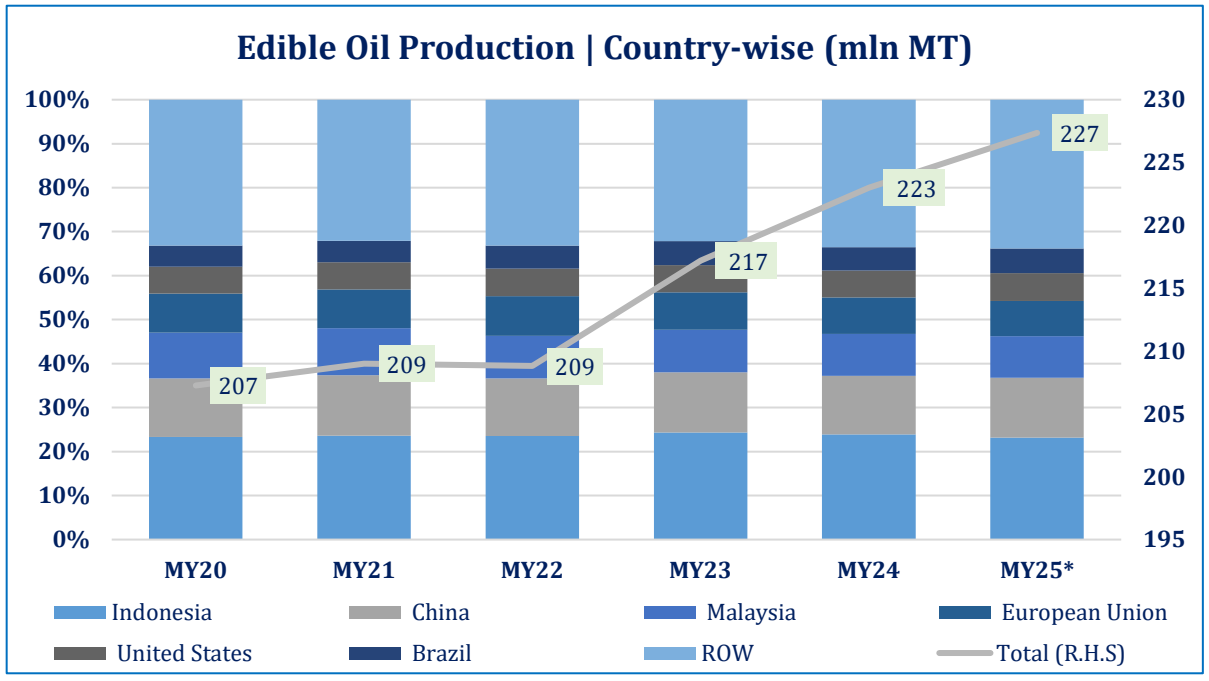
*Forecast.

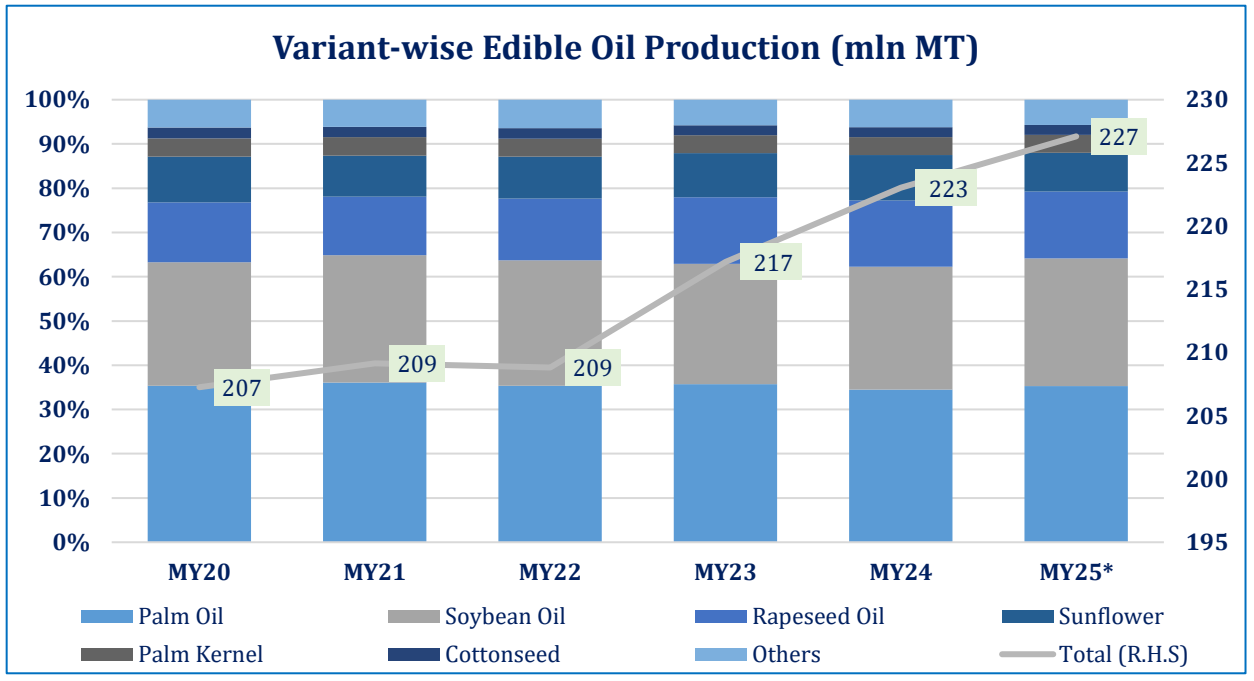
Source: USDA

Edible Oil

Global | Edible Oil Production

- Global edible oil production was recorded at ~227.0mln MT during MY24, up ~2.3% YoY. Country-wise, Indonesia formed ~13.4% of edible oil produced globally in MY24 (SPLY: ~23.5%), while China and Malaysia followed suit with ~9.8% and ~8.1% shares, respectively.
- Palm oil accounted for ~34.5% of the global edible oil production in MY24 (~35.4% during MY20-24), while soybean oil formed ~27.8% share during the period under review (~-20.0% over MY20-24 horizon). Two types of palm oil are produced globally; crude palm oil that comes from squeezing the pulp of palm fruit, and palm kernel oil which is obtained from crushing the kernel.
- In MY25, global edible oil production is forecast to increase ~2.3% YoY majorly due to an increase in the expected production in Argentina as it recovers from the last year's drought and forecasts better oilseed crop output (mainly soybean seed crop). Edible oil production in Indonesia, China and the USA is expected to grow ~8.1%, ~2.2% and ~5.1% YoY, respectively, during MY25.





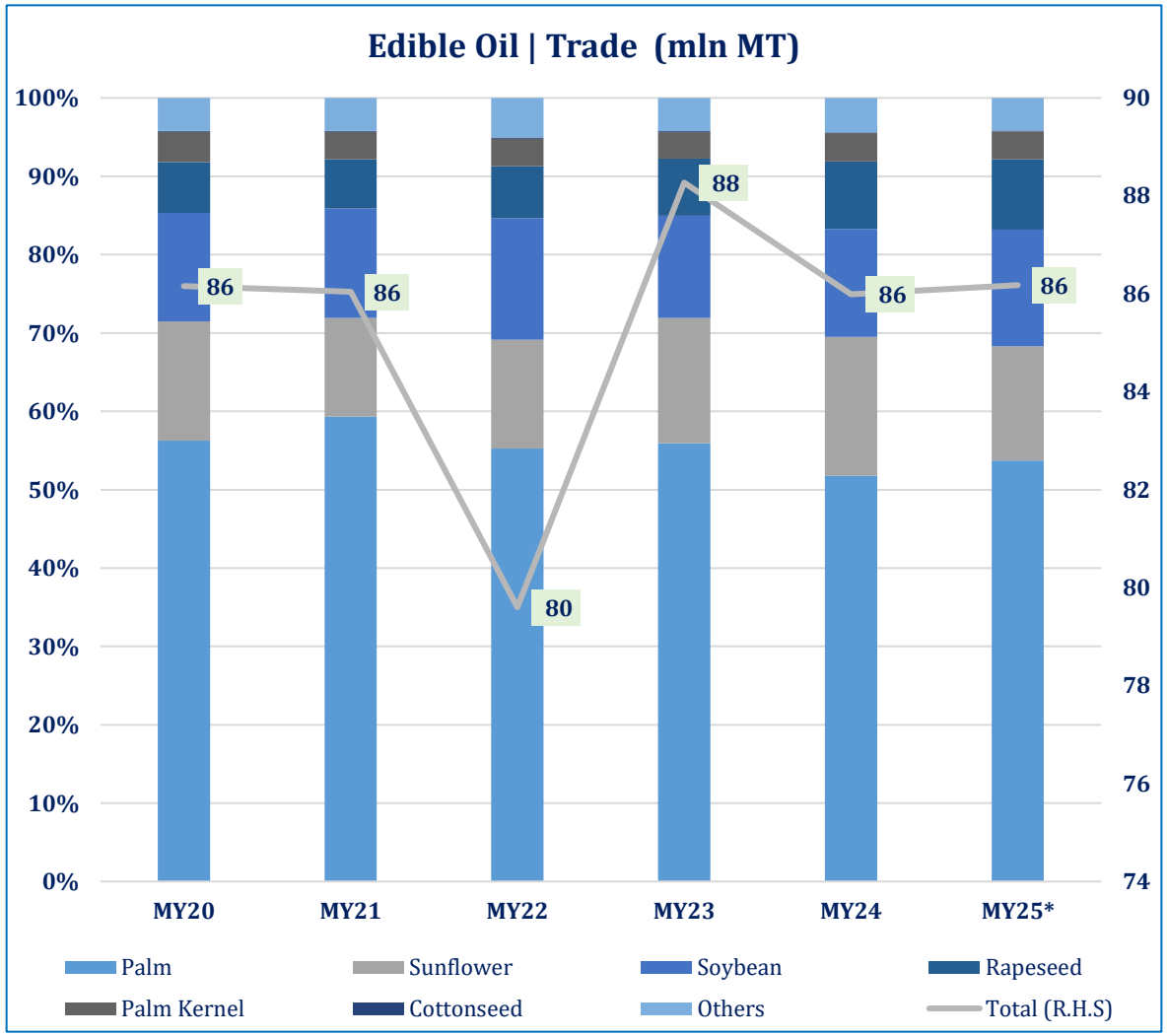
***Note**: Edible Oil production includes Palm, Soybean, Rapeseed, Cottonseed and Sunflower, Palm Kerner and Other Oils. *Forecast.*

Source: USDA

Edible Oil

Global | Edible Oil Trade

- In MY24, the global edible oil trade was recorded at ~86.0mln MT, depicting a decline of ~2.3% YoY. Of the total edible oil produced, ~36.7% was traded during the year, in-line with historical trend (SPLY: ~38.5%; ~35.7% during MY20-24).
- Palm oil exports accounted for ~53.0% of total edible oil exports in MY24, and registered ~10.1% YoY downtick owing to ~19.1% YoY decrease in Indonesian exports due to increase in local consumption. India remained the top importer in MY24 with ~19.4% share while Indonesia remained the top exporter with ~28.4% share.
- Indonesia and Malaysia cumulatively made up ~49.2% of global edible oil exports in MY24 (SPLY: ~52.7%), while India and China, with ~19.5% and ~11.2% shares, respectively, were the top two importers of edible oil.
- Rapeseed oil exports (~8.6% share in the total edible oil exports during MY24) increased by ~9.3% YoY during the period under review owing to higher exports from Canada.
- Going forward, edible oil trade is expected to remain stable with stable soybean oil output in Argentina and rapeseed oil production in Canada.



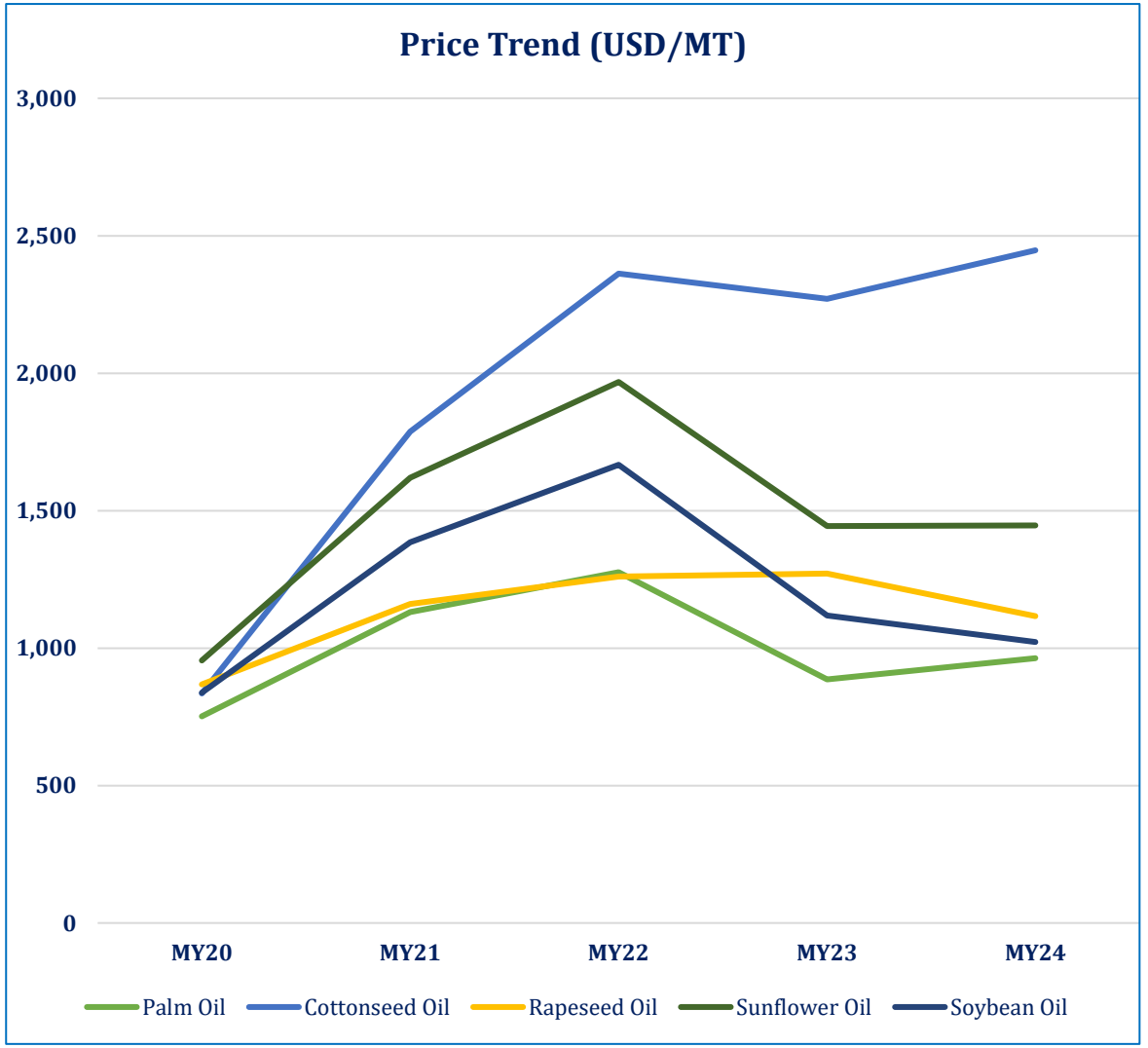
*Forecast.

Source: USDA

Edible Oil

Global | Price Dynamics

- Global prices for edible oil increased at a CAGR of ~10.4% during MY20-24, emanating majorly from supply-side. However, except cottonseed oil, global prices largely eased in MY24 on the back of ~3.4% YoY increase in overall edible oil production.
- **Palm Oil**: In MY24, production levels in Indonesia recorded ~4.4% YoY decline, therefore average prices were recorded at USD~964.6/MT during MY24 (SPLY: USD~886.5/MT), up ~8.8% YoY.
- **Rapeseed Oil:** In MY24, production of rapeseed oil marginally declined by ~0.5% YoY due to ~3.2% YoY lower production in China However, average prices were down ~12.2% YoY during the same period and were recorded at USD~1,115.7/MT (SPLY: USD~1,271.1/MT).
- **Sunflower Oil:** Russia and Ukraine together produced ~61.0% of the global sunflower oil. During MY24, sunflower oil production was up ~2.4% YoY. During MY24, average prices were recorded at USD~1,446.2/MT (SPLY: USD~1,444.4/MT), up ~0.1% YoY.
- **Soybean Oil:** In MY24, production of soybean oil increased by ~5.2% YoY due to ~21.0% YoY higher production in Argentina. Average prices, resultantly, declined by ~8.6% YoY and were recorded at USD~1,022.9/MT during MY24 (SPLY: USD~1,118.5/MT).
- **Cottonseed Oil:** In MY24, cottonseed oil production clocked it at ~5.0mln MT a YoY increase of ~1.6%. Average prices resultantly increased by ~7.7% YoY and were recorded at USD~2,447.2/MT (SPLY:USD~2,271.4/MT).



Source: USDA

Edible Oil

Local | Overview

- Pakistan's edible oil sector posted a ~10.7% YoY lower revenue in FY24, with overall local consumption recording ~0.3% YoY decline. In PKR terms, this was down ~10.7% YoY.
- The decline reflected lower prices, where average price of cooking oil during FY24 was recorded at PKR~533.0/KG, registering a decline of ~10.4% YoY.
- Per capita consumption of edible oil in FY24 recorded a decline of ~2.8% YoY to record at ~17.6KG/person.
- During the year, lower consumption came on the back of lower edible oil imports, which comprised ~74.9% of total edible oil consumption. Domestic production, on the other hand, was up ~18.0% YoY during FY24, however, formed only ~25.1% of the total consumption.
- During FY20-24, the share of imports in local consumption has averaged at ~76.2%, with local production forming the rest. The sector, therefore, remains highly dependent on imported crude edible oil (the country meets 100% of its palm oil demand through imports) exposing it to exchange rate movements and international price fluctuations.

Particulars	Units	FY22	FY23	FY24
Sector Revenue	USD mln	5,720	7,124	6,283
	PKR bln	1,012	2,486	2,219
Revenue Growth	%	31.0%	-19.0%	-10.7%
Contribution to GDP	%	2.0%	3.0%	2.1%
Edible Oil Consumption*	(000 MT)	3,964	4,179	4,164
Per Capita Consumption	KG	17.5	18.1	17.6
Edible Oil Imports	(000 MT)	2,980	3,292	3,117
Palm Oil Imports	(000 MT)	2,824	3,064	2,997
Palm Oil Imports (Share in Country's Total Imports)	%	6.5%	6.6%	5.1%
Association	Pakistan Edible Oil Refiners Association, Pakistan Vanaspati Manufacturers Association, Pakistan Oilseed Development Board			

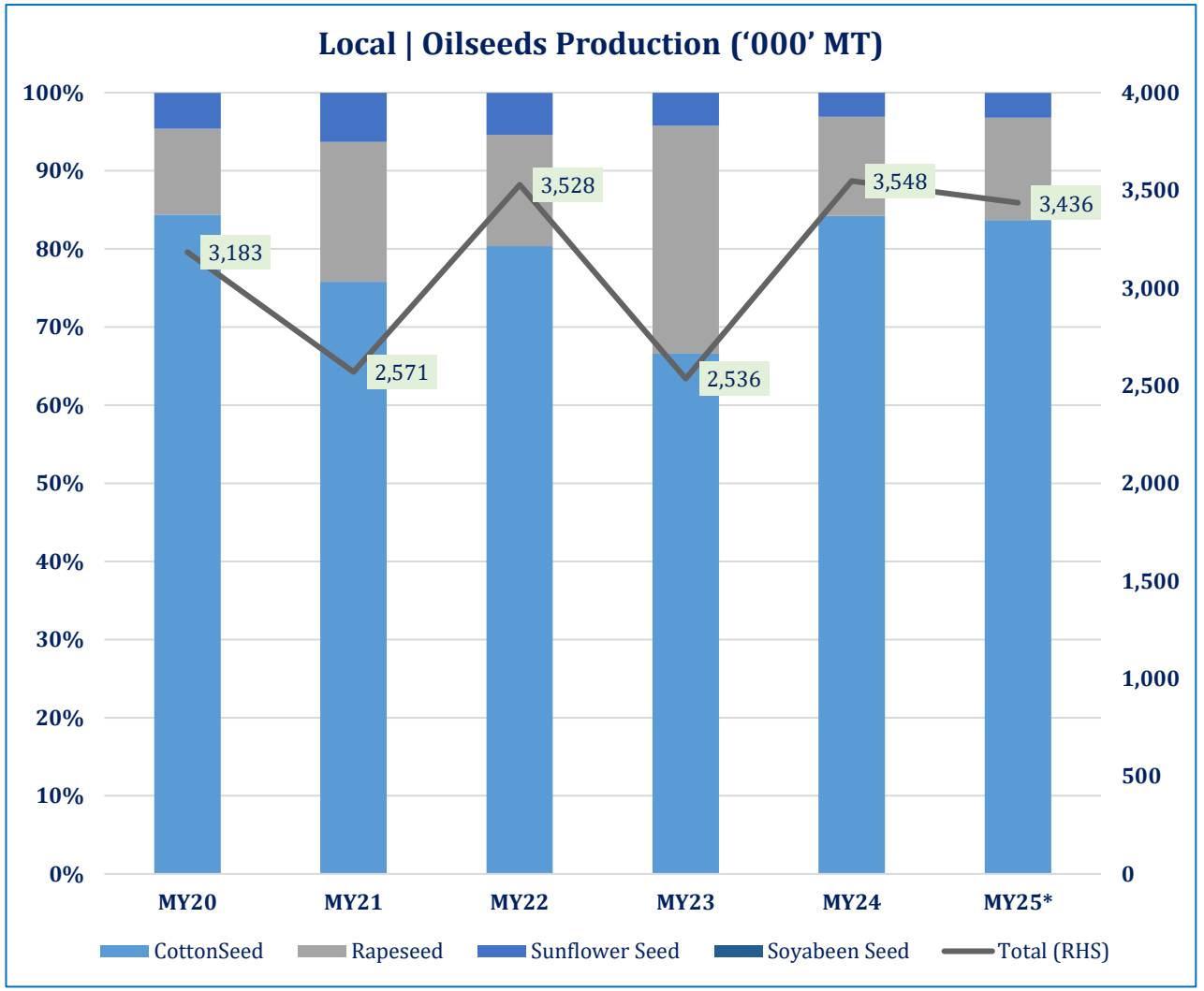
***Note**: Production data has been taken from USDA, while imports reflect PBS data. For USD revenue calculation, average exchange rate has been used. *Consumption figures have been estimated using negligible stock levels.*

Source: PBS, USDA

Edible Oil

Supply | Oilseeds

- Local edible oil demand is met through crushing of oilseeds and import of cooking oil. Cottonseed is the principal oilseed crop grown in Pakistan, accounting for an average of ~82.0% of domestic oilseed production during MY20-24.
- However, cottonseed production increased by ~76.9% YoY in MY24 on the back ~71.0% increase in cotton production. Cottonseed demand is met through local produce only and is driven by demand for cotton lint from the textile sector, which is country's largest export-oriented sector.
- In MY25, local cottonseed production is estimated to decline by ~3.7% YoY due to ~33.7% YoY decline in cotton production during 7MFY25. As of End-Jan'25, total cotton bales clocked in at ~5.5mln bales (SPLY: ~8.3mln bales).
- The local edible oil sector relies almost entirely on imports to meet its demand of soybean seed, whereas rapeseed and sunflower seed are both locally produced as well as imported.



*Forecast.

Source: PBS, PES, USDA,PCGA

Edible Oil

Supply | Edible Oil

- The overall increase in domestic edible oil production in FY24 was ~61.5% (cottonseed oil) and ~8.9% (rapeseed oil) on YoY basis, while soybean oil production was down ~38.6% YoY due to import restrictions on GMOs imposed during FY23.

- In FY23, the GoP formulated a comprehensive National Oilseed Policy aiming to locally meet ~60.0% of the country's edible oil requirements by the FY34. Key components of the policy includes: Establishing a profitable intervention price for crops like sunflower, canola, rapeseed, mustard, and sesame at ~1.5x their production cost to encourage cultivation, increasing the cess on imported edible oils and oilseeds to raise PKR~5.5bln annually, which will fund initiatives under the National Oilseed Policy.

Particulars ('000' MT)	Supply Snapshot | Edible Oil (FY24)						FY23
	Palm Oil	Soybean Oil	Rapeseed Oil	Cottonseed Oil	Sunflower Oil	Total	Total
Consumption	2,997	209	474	412	72	**4,164**	**4,179**
Imports	2,997	120	0	0	0	**3,117**	**3,292**
Imports (% of Consumption)	100%	57.4%	0.0%	0.0%	0.0%	**74.9%**	**78.7%**
Domestic Production	0	89	474	412	72	**1,047**	**887**
Production (% of Consumption)	0.0%	42.6%	100%	100%	100%	**25.1%**	**21.2%**
Share in Total Consumption	72.0%	5.0%	11.4%	9.9%	1.7%	**100.0%**	**100.0%**

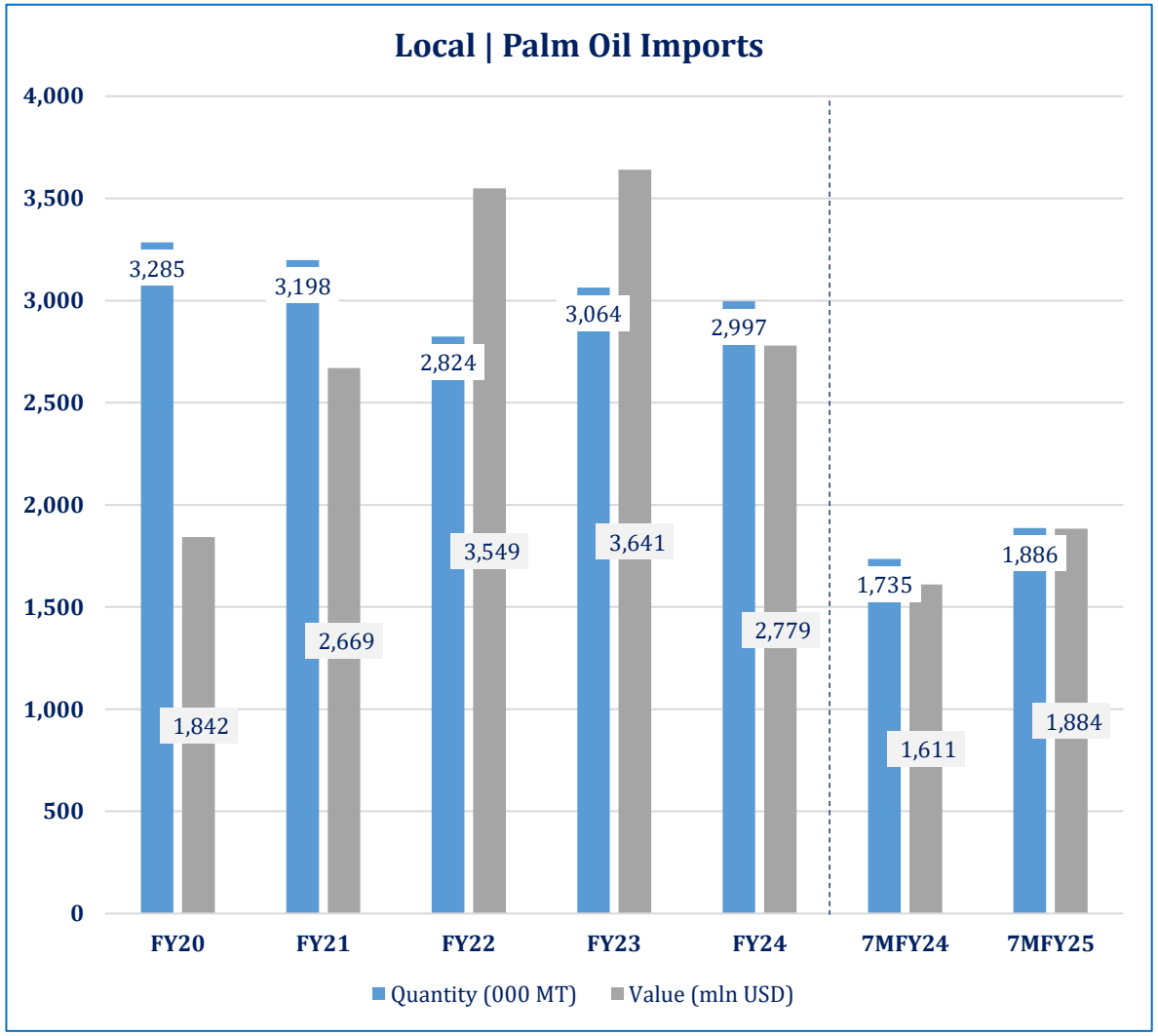
Consumption levels have been estimated assuming negligible stock levels; MY=FY. **Note: Soybean Oil and Palm Oil data has been taken from PBS, while production has been taken from USDA.*

Source: PBS, PES, USDA, agripunjab.gov

Edible Oil

Supply | Palm Oil

- Globally, India, China and the EU cumulatively formed ~39.5% of total palm oil imports in FY24. Pakistan was the fourth-largest importer of palm oil with ~7.2% share during the year. Pakistan imports palm oil majorly from Malaysia and Indonesia.
- Palm oil accounted for ~92.1% of Pakistan's total edible oil imports in FY24 and formed ~5.1% of country's total import bill during FY24 (SPLY: ~6.6%). In FY24, fall in palm oil imports resulted mainly due to ~67.3% YoY lower crude palm oil imports in quantitative terms. Where the decline in Indonesian crude palm oil imports was ~100.0% YoY, that imported from Malaysia recorded ~66.0% YoY decline.
- During FY24, palm oil imports recorded ~6.7% YoY decline (SPLY: ~8.5% YoY increase). These are forecast to reach ~3.3mln MT in FY25 on the back of increased demand in line with increasing population. In 7MFY25, refined palm oil imports rose by ~8.7% YoY, while lower crude palm oil imports continued in the period under review.
- Moreover, Indonesia increased export levy on crude palm oil exports from ~7.5% to ~10.0% in Dec'24 as part of its B40 Biodiesel Mandate. However, this is unlikely to have an impact on overall palm oil imports going forward, since these comprised only ~1.0% crude palm oil in quantitative terms during FY24 (SPLY: ~3.0-%).



***Note**: HS codes for Palm Oil import includes 1511.1000, 9010, 9020, 9030.*

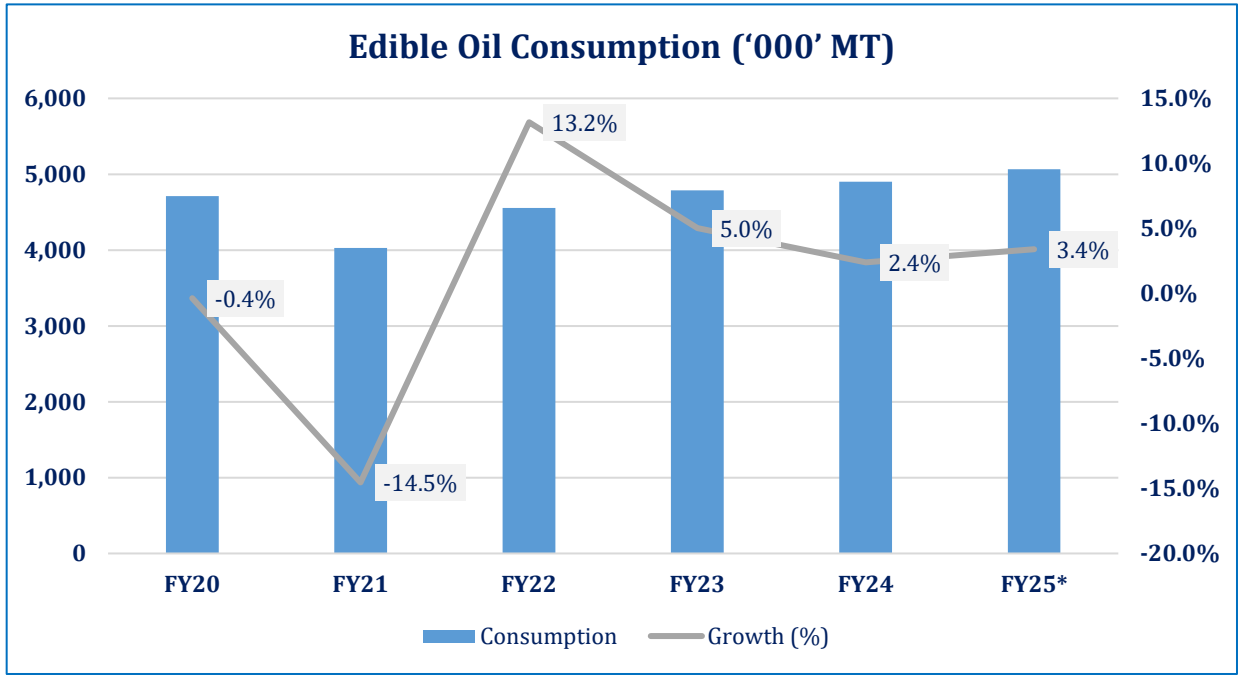
Source: PBS, PES, USDA

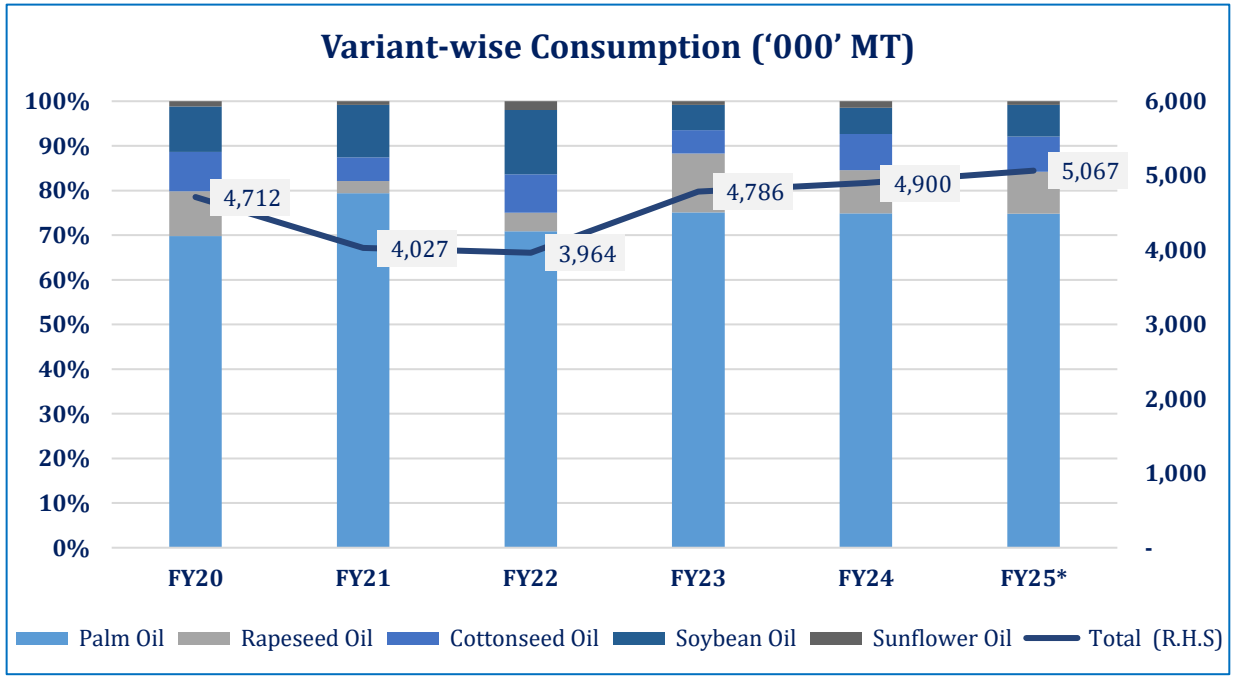
Edible Oil

Demand | Edible Oil

- Demand for edible oil, being an essential food commodity, stayed relatively stable over five years (FY20-24), recording at average levels of ~4.6mln MT and growing at a CAGR of ~1.5% during the same period.

- Overall demand during FY24 clocked in at ~4.9mln MT, a YoY increase of ~2.4%, while in FY25, this is forecast to grow ~3.4% YoY to clock in at ~5.1mln MT. This is owed to the expected increase in oil use based on population growth and higher consumption. During FY24, per capita consumption was down ~2.8% YoY (recording at ~17.6KG/person). In India, per capita consumption of edible oil was recorded at ~11.8KG/person in FY23 for Rural areas while in Bangladesh, this was estimated at ~17.0KG/person**.





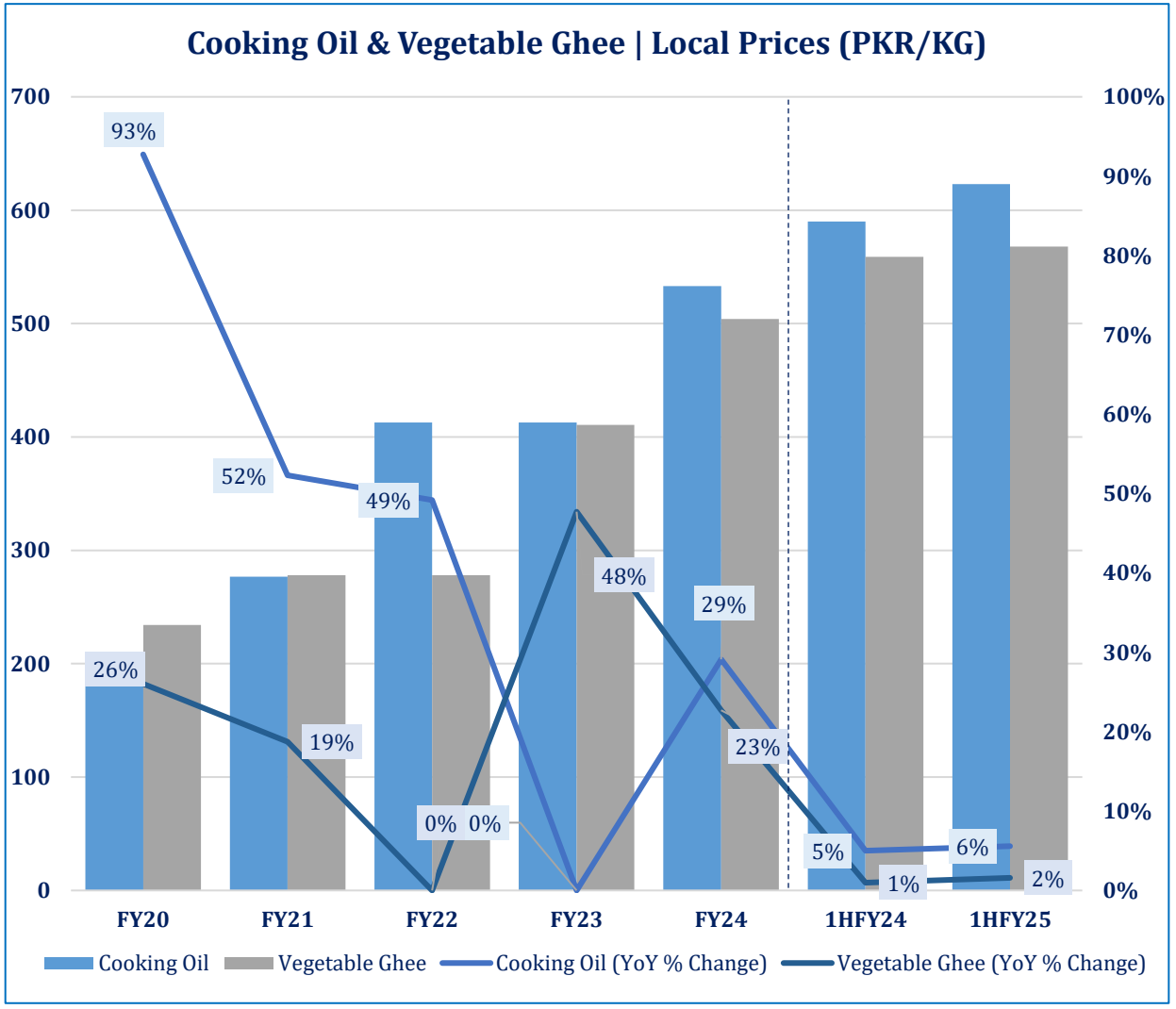
*Forecast. **Regional data is latest available.

Source: PBS, PES, USDA, NITI Aayog

Edible Oil

Local | Price Dynamics

- Pakistan is heavily dependent on import of edible oil to meet local consumption. This exposes the sector to exchange rate movements. The impact of increased cost of production is usually passed on to end-consumers.
- Vegetable ghee and cooking oil prices in the country have increased with a CAGR of ~23.9% and ~16.6%, respectively, during the last five years (FY20-24).
- Average global prices of palm oil were up ~42.5% YoY while soybean oil prices increased by ~5.2% in FY24, averaging at PKR~262.0/KG and PKR~308.0/KG, respectively. Meanwhile, the USD/PKR parity averaged at ~283.2 (SPLY: USD~247.3/PKR).
- Local cooking oil and vegetable ghee average prices, however, stood at PKR~533.0/KG and PKR~504.0/KG in FY24, down ~10.0% and ~12.0% YoY. In 1HFY25, these recorded at PKR~623.0/KG and PKR~568.0/KG, respectively, up ~6.0% and ~2.0% YoY.
- Going forward, with the PKR holding stable against the USD (8MFY25: USD~278.4/PKR; SPLY: USD~285.4/PKR) and a simultaneous decline in international palm oil prices, domestic cooking oil and vegetable ghee prices are expected to remain rangebound. On the other hand, increasing population level is another determinant of local prices.



Note: *Vegetable Ghee prices are representative of Ghee Tin Prices (i.e., per 2.5 liter).*

Source: PBS

Edible Oil

Business Risk

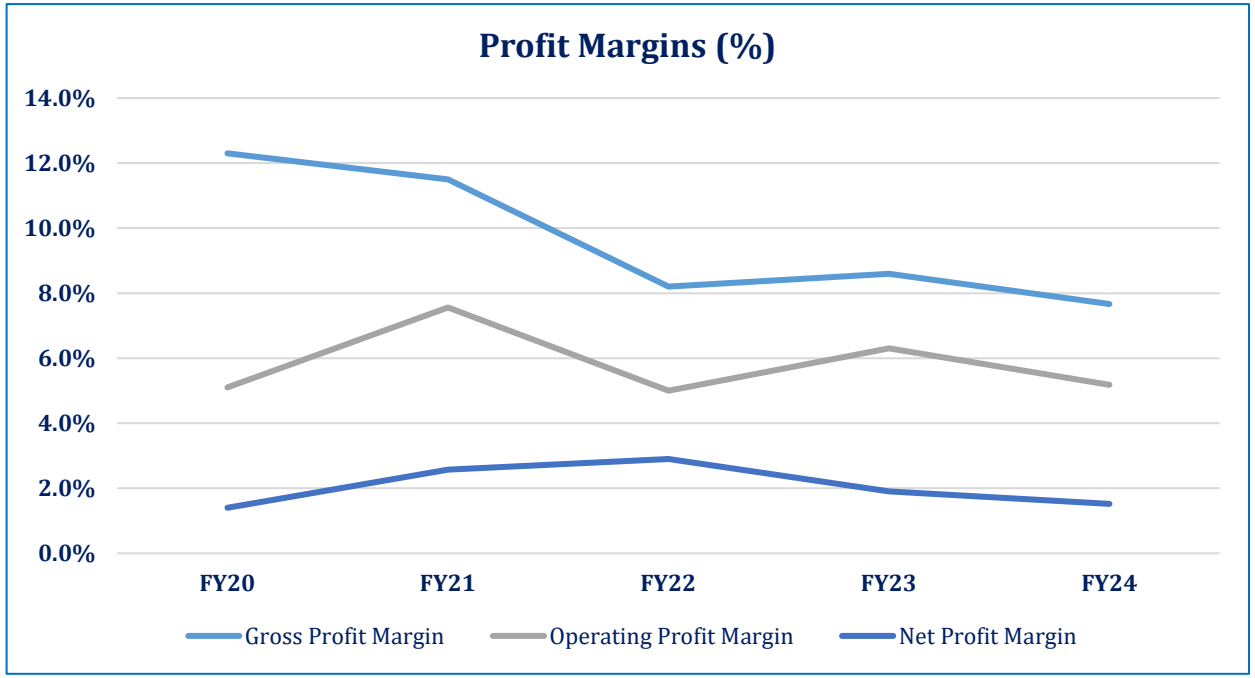
- **Operating Risk:** This refers to the difficulties relating to the operations of the edible oil players which can hamper the profitability and performance of the sector. Major inputs include both local inputs and imported inputs although the proportion of local input is significantly low. The sector's costs are therefore subject to exchange rate volatility and international prices of oilseed and refined edible oil. Although tariff structure (covered later) is designed in way to promote local production of edible oil, still the major portion of demand is met through import of refined oil.

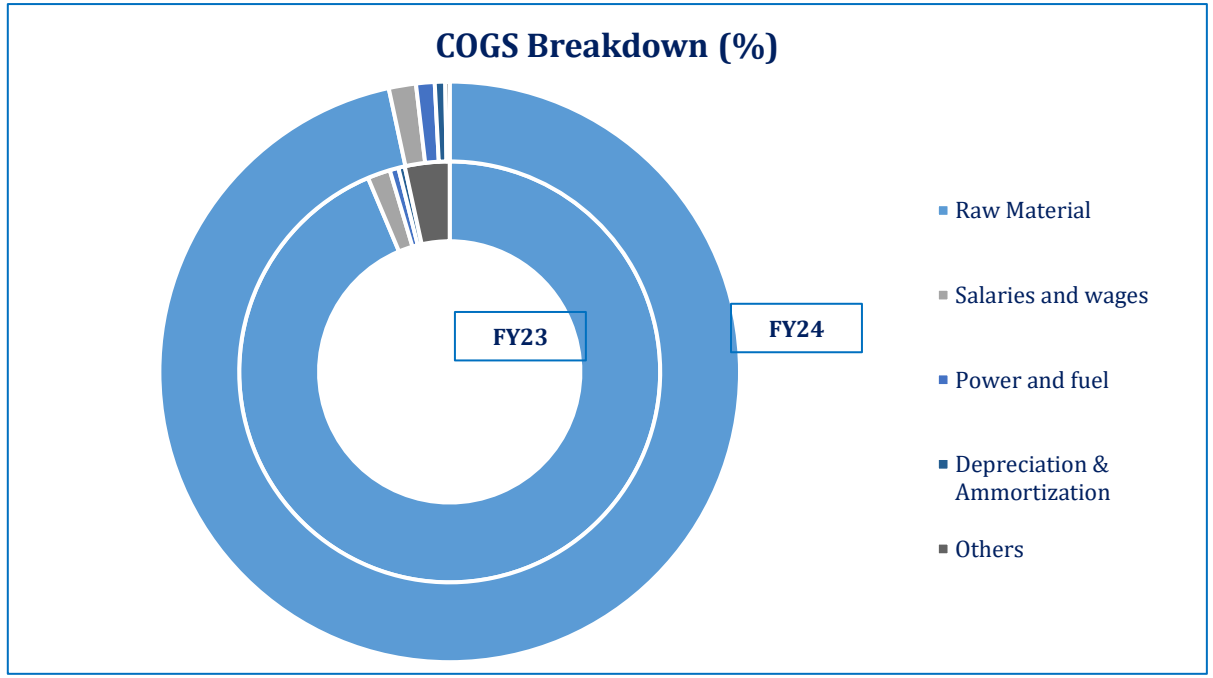
- **Sales Risk:** This risk is focused on the demand side of edible oil. Being the essential food item, demand of edible oil remains robust. But the slight variation in demand is related to price movement as well as the customers tend to switch from branded edible oil to low-cost products.

Edible Oil

Business Risk | Margins & Cost Structure

- During FY24, the sector's gross revenue increased by ~0.5% YoY while cost of sales also rose by ~1.3% YoY, resulting in overall average gross margins declining to ~7.7% (SPLY: ~8.6%). Moreover, average operating margins declined to ~5.2% YoY (FY23: ~6.3%), while average net margins dipped to ~1.5% in FY24 (FY23: ~1.9%). During the year, while the sector's finance costs decreased by ~2.7% YoY, the other income portion was also down ~3.8% YoY. Finance cost is likely to further reduce with lower average policy rate in 7MFY25 (End-Jun'24: ~22.0%; End-Jan'25: ~12.0%).
- Raw materials constituted ~96.6% of the sector's production costs in FY24. As the sector relies on imported raw material, cost pf raw material is linked with international prices and exchange rate. In case the rise in international prices of raw materials is not passed on to the customers, the whole impact is borne by the sector players.





***Note**: Calculations are based on 09 PACRA-rated clients.*

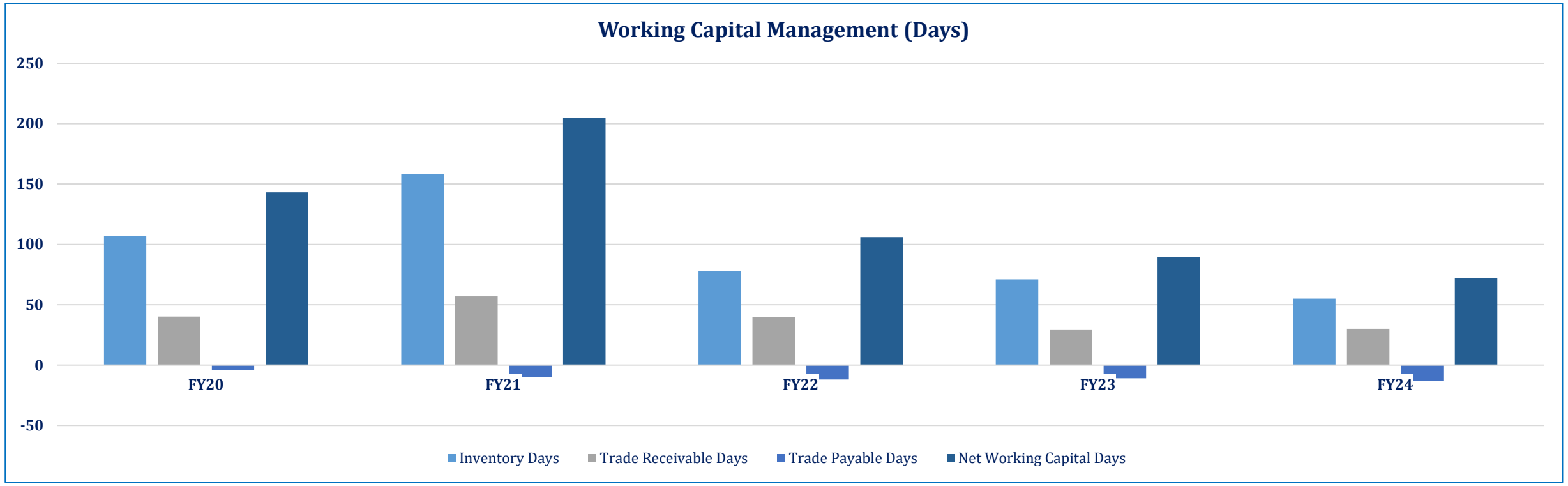
Source: PACRA Internal Database

Edible Oil

Financial Risk | Working Capital Management

- The working capital cycle of the sector is generally characterized by high inventory and trade receivable days. During FY24, average working capital days were recorded at ~72 days, improving by ~18 days (FY23: ~90 days), owing mainly to lower inventory days at ~55 days (SPLY: ~71 days). This can be attributed to an increase in edible oil sales during the year.

- Meanwhile, average trade receivables days remained unchanged at ~30 days in FY24 whereas average payable days increased slightly to ~13 days (FY23: ~11days). Suppliers usually sell their oil products at a credit of over one month. Due to high reliance of the sector on imports, trade payable days of the sector are minimal.



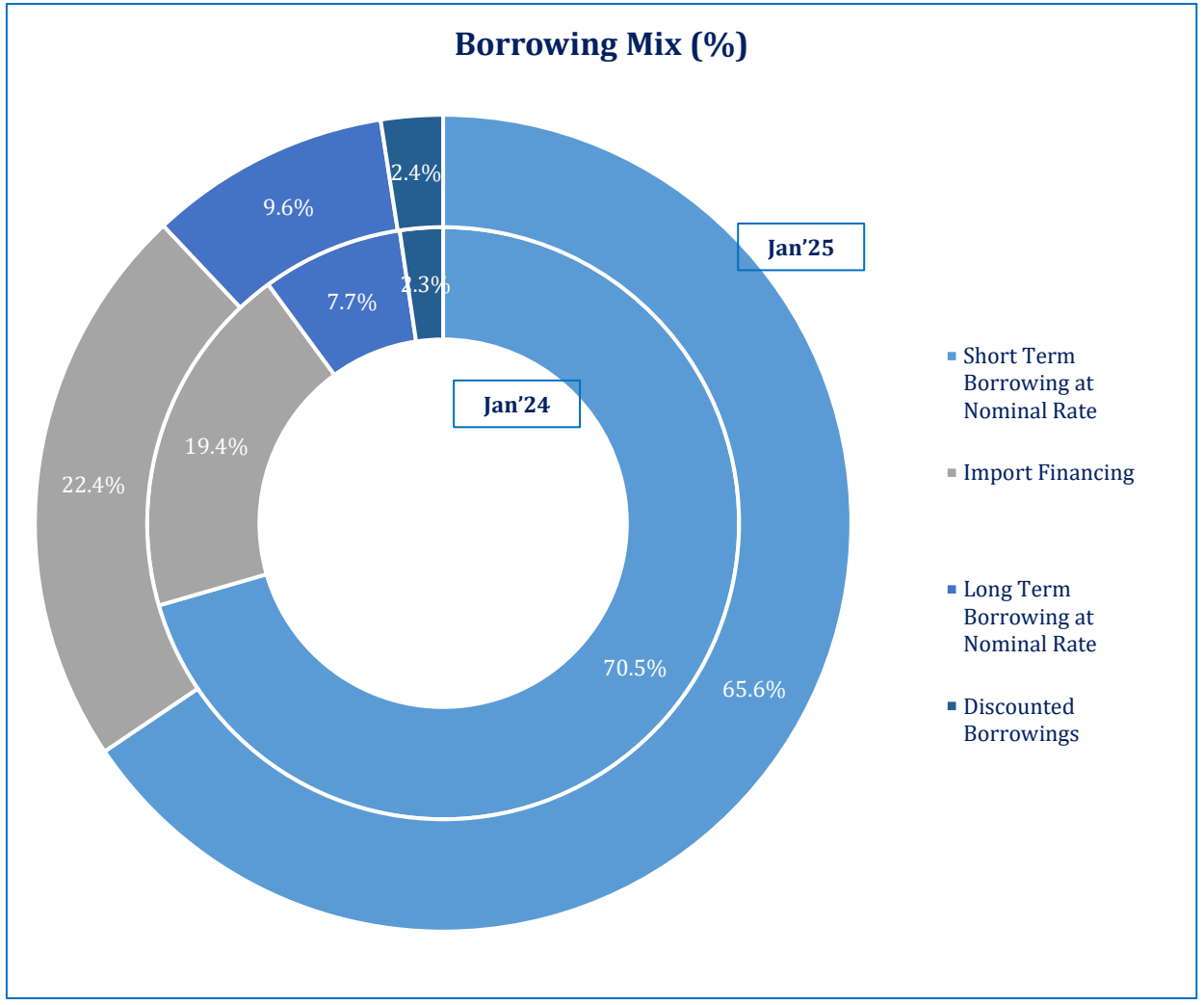
***Note**: Calculations are based on 09 PACRA-rated clients.*

Source: PACRA Internal Database

Edible Oil

Financial Risk | Borrowing Mix

- As of end-Jan'25, the sector's overall borrowings stood at PKR~131.7bln, down ~18.7% YoY (End-Jan'24: PKR~162.1bln).
- Short-term borrowings (STBs) at normal rate stood at PKR~86.4bln, down ~24.4% YoY, and held the largest share in the sector's borrowing mix at ~65.6% (SPLY: ~70.5%).
- Meanwhile, import financing, recording at PKR~29.5bln (End-Jan'24: PKR~31.5bln), declined by ~6.1% YoY as of End-Jan'25 and held ~22.4% share in the total borrowing mix during the period.
- Long-term borrowings (LTBs) at normal rate stood at PKR~12.6bln, up ~0.8% YoY, and held a share of ~9.6% in overall borrowings (End-Jan'24: ~7.7%).
- Discounted borrowing (LTFF & EFS) stood at PKR~3.2bln (End-Jan'24: PKR~3.8bln), down ~15.1% YoY and held a share of ~2.4% in the overall borrowing mix.



***Note**: Borrowing Mix pertains SBP's classification of "Manufacture of Vegetable and Animal Oils and Fats"*

Source: SBP

Edible Oil

Duty Structure

PCT Code	Description	Custom Duty (CD)		Additional Custom Duty (ACD)		Regulatory Duty (RD)		Total	
		FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
1207.1000	Oilseeds and oleaginous fruits, whether or not broken	3%	3%	2%	2%	-	-	5%	5%
1511.9020	RBD Palm Oil	PKR 10,800/1000 Tariff unit	PKR 10,800/1000 Tariff unit	2%	2%	-	-	PKR 10,800/MT; 2%	PKR 10,800/1000 Tariff unit; 2%
1511.9030	Palm Olein	PKR 9,050/1,000 Tariff Unit	PKR 9,050/1000 Tariff unit	2%		-		PKR 9,050/MT; 2%	PKR 9,050/1000 Tariff unit; 2%

Other than the duty structure depicted above, Pakistan also imports crude palm oil, on which the following import duties are applicable:

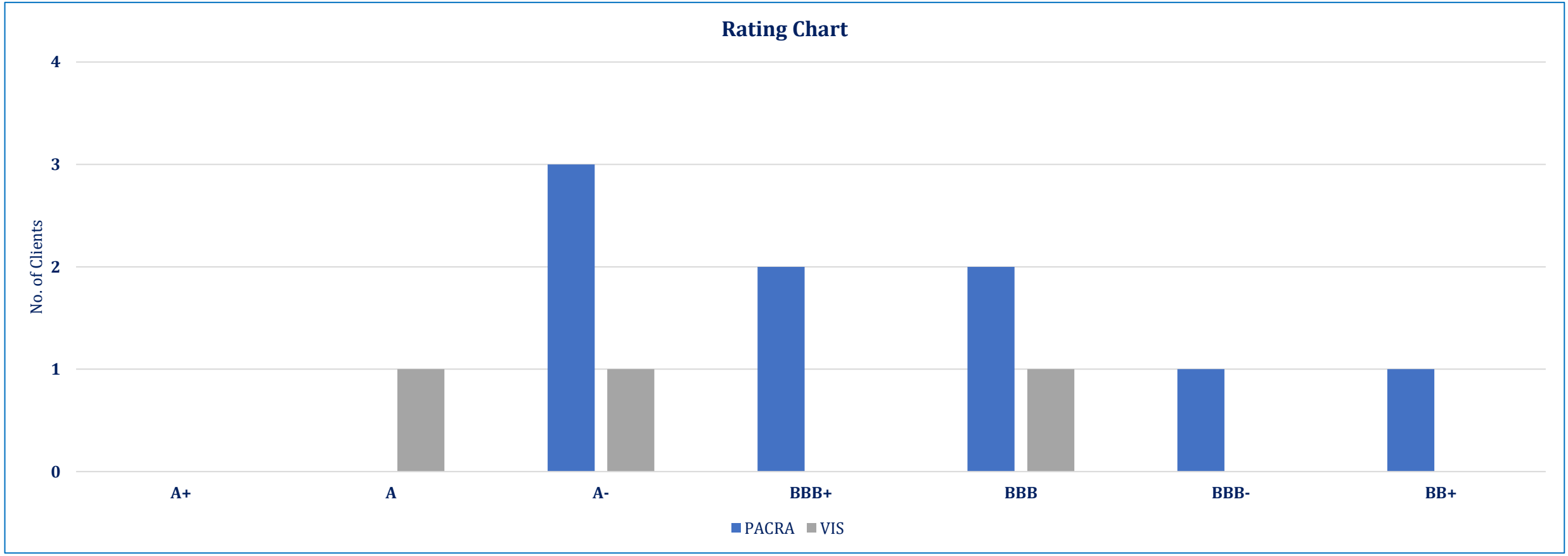
- ACD: 2.0%.
- Edible Oil Cess: PKR. 50/1000 Tariff unit
- Custom Duty: PKR. 8000/1000 Tariff unit

Source: FBR

Edible Oil

Rating Curve

PACRA rates nine entities, with a rating bandwidth ranging from A- to BB+-.



Source: PACRA Internal Database

Edible Oil

SWOT Analysis

- Stable demand owing to increasing population.
- High bargaining power of suppliers.
- Well-established dealership networks.
- Important food ingredient.
- Increasing number of restaurants.
- Wide range of target market.

- High reliance on imports.
- Huge working capital needs.
- Presence of unstructured segments.
- Low local value addition.

- Low barriers to entry.
- Changing dietary patterns.
- Exposure to international prices.
- Increasing interest rates.

- Increasing population.
- Vast distribution.
- Local plantation of oilseeds, giving way to import substitution.
- Range of product offerings.

Edible Oil

Outlook: Stable

- In FY24, Pakistan's GDP (nominal) stood at PKR~105.4trn, increasing, in real terms, by ~2.5% YoY (FY23: ~-0.2% YoY). Industrial activities in FY24 held ~21.9% share in the GDP while manufacturing activities made up ~62.9% of the value addition. In 1QFY25, Pakistan's GDP (nominal) stood at PKR~26.3trn, increasing, in real terms, by ~0.9% YoY and signaling a slight improvement in economic activity.
- In FY24, ~0.4% YoY lower consumption of edible oil for Pakistan came on the back of ~5.4% YoY lower edible oil imports, while imports comprised ~74.8% of the edible oil consumption during the year. Domestic production, on the other hand, was up ~18.0% YoY during FY24, however, formed only ~25.2% of the total consumption. The overall increase in domestic edible oil production in FY24 comprised ~61.5% and ~8.9% YoY increase in cottonseed and rapeseed oil production, respectively, while soybean oil production was down ~38.6% YoY due to import restrictions on GMOs imposed during FY23.
- During FY24, the sector's gross revenue increased by ~0.5% YoY while cost of sales also rose by ~1.3% YoY, resulting in overall average gross margins declining to ~7.7% (SPLY: ~8.6%). Average global prices of palm oil were up ~42.5% YoY while soybean oil prices increased by ~5.2% in FY24, averaging at PKR~262.0/KG and PKR~308.0/KG, respectively. Meanwhile, the USD/PKR parity averaged at ~283.2 (SPLY: USD~247.3/PKR) whereas average net margins dipped to ~1.5% in FY24 (FY23: ~1.9%). The sector's finance costs decreased by ~2.7% YoY, while other income was also down ~3.8% YoY. Lower interest rates in FY25 are expected to reflect in better net margins, in addition to sustained demand levels owing to population growth.
- Going forward, with the PKR stabilizing against USD, lower inflationary expectations and overall improved economic situation as well as lifting of import restrictions on GMO oilseeds is likely to reflect in better financial performance of sector players. The sector, however, remains dependent on palm oil imports to meet domestic demand, therefore, there is a need for import substitution. International palm oil prices specifically are forecasted to remain on the higher end in MY25 owing to lower exports from Indonesia.

Edible Oil

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