
Pakistani cement exports up 47pct local sales down 14pct

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The News reported that cement sales in fiscal year 2009 posted an increase of 2% YoY to 30.6 million tonnes compared to a 3 year Compound Annual Growth Rate of 23%.

Local dispatches stood at 19.3 million tonnes down 14% YoY. However, exports depicted an astounding jump of 47% to 11.3 million tonnes.

JS Research reported that on MoM basis, local and export dispatches were up 5% and 1% respectively. Record Public Sector Development Program allocation of PKR 621 billion in the budget for FY10, reduction of PKR 10 per bag in excise duty and declining interest rate set an optimistic outlook for the cement sector.

Economic slowdown, political uncertainty and security situation along with budgetary constraints hampered infrastructure activities as well as private sector development projects in FY09. Resultantly, local cement dispatches dropped 14% to 19.3 million tonnes.

However, this trend has started to reverse as local dispatches for June 2009 came in at 1.7 million tonnes, up 5% MoM. It is expected that PKR 219 billion PSDP allocation for infrastructure development and materialization of dam construction activities announced in the budget remain major demand triggers, which would boost local dispatches in coming months.

On the export front, demand from the Middle East and Afghanistan drove exports upwards during FY09 as exports rose to a record 11.3 million tonnes up 47% YoY with June sales posting 1% MoM increase to 1.2 million tonnes. Major export markets Qatar and Oman are to increase their capacities by 51% and 77% respectively with USD 304 million worth of projects in the pipeline. Capacity expansion in Oman and Qatar along with untapped markets will provide stimulus to exports.

(Sourced from the News)

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