

POLYESTER STAPLE FIBER – SECTOR OVERVIEW

December 2016

Domestic PSF Industry

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- ◆ Industry Profile
- ◆ PSF Manufacturing Process
- ◆ Performance Trends
- ◆ Price Trends
- ◆ Regulatory Duty Structure

INDUSTRY SNAPSHOT

- Pakistan's polyester industry comprises three players | Total operational capacity of ~537,000 tpa at end-Jun16.
- Margins under pressure | Key Reason:
 - ✓ Inventory Management | Given volatility in raw material prices
- In Feb16, NTC imposed a final anti-dumping duty (2.8% to 11.5%) | determination is made for a period of 5 years | Likely to support margins of local players
- Increase in custom duty on PSF from 6% to 10% in FY16

PSF Industry | Profile

FY16

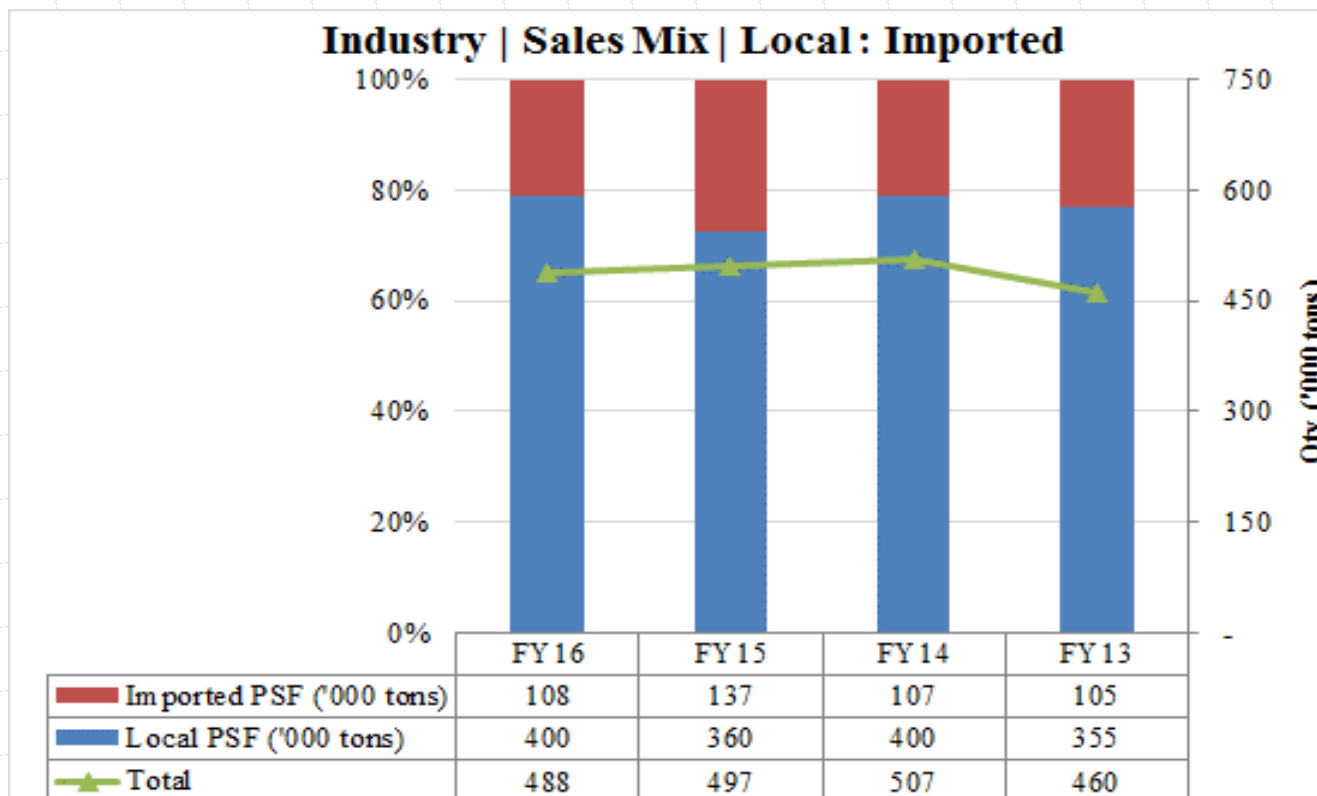
Sr. #	Companies	Installed Capacity (tpa)	Operational Capacity (tpa)	Market Share (Operational Capacity)	Production (tpa)	Capacity Utilization	Sales (tpa)	Market Share (Sales)
1	Ibrahim Fibers Limited	390,600	390,600	73%	251,307	64%	237,172	62%
2	Dewan Salman Fibers Limited	240,000	-	-	-	-	-	-
3	ICI Pakistan Limited	122,250	122,250	23%	118,859	97%	118,882	31%
4	Rupali Polyester Limited	23,973	23,973	4%	24,171	101%	24,171	6%
Total		776,823	536,823	100%	394,337	73%	380,225	100%

FY15

Sr. #	Companies	Installed Capacity (tpa)	Operational Capacity (tpa)	Market Share (Operational Capacity)	Production (tpa)	Capacity Utilization	Sales (tpa)	Market Share (Sales)
1	Ibrahim Fibers Limited	390,600	390,600	73%	228,116	58%	222,101	62%
2	Dewan Salman Fibers Limited	240,000	-	-	-	-	-	-
3	ICI Pakistan Limited	122,250	122,250	23%	115,711	95%	115,018	32%
4	Pakistan Synthetic Limited	-	-	-	-	-	3,499	1%
5	Rupali Polyester Limited	23,973	23,973	4%	19,328	81%	19,328	5%
Total		776,823	536,823	100%	363,155	68%	359,946	100%

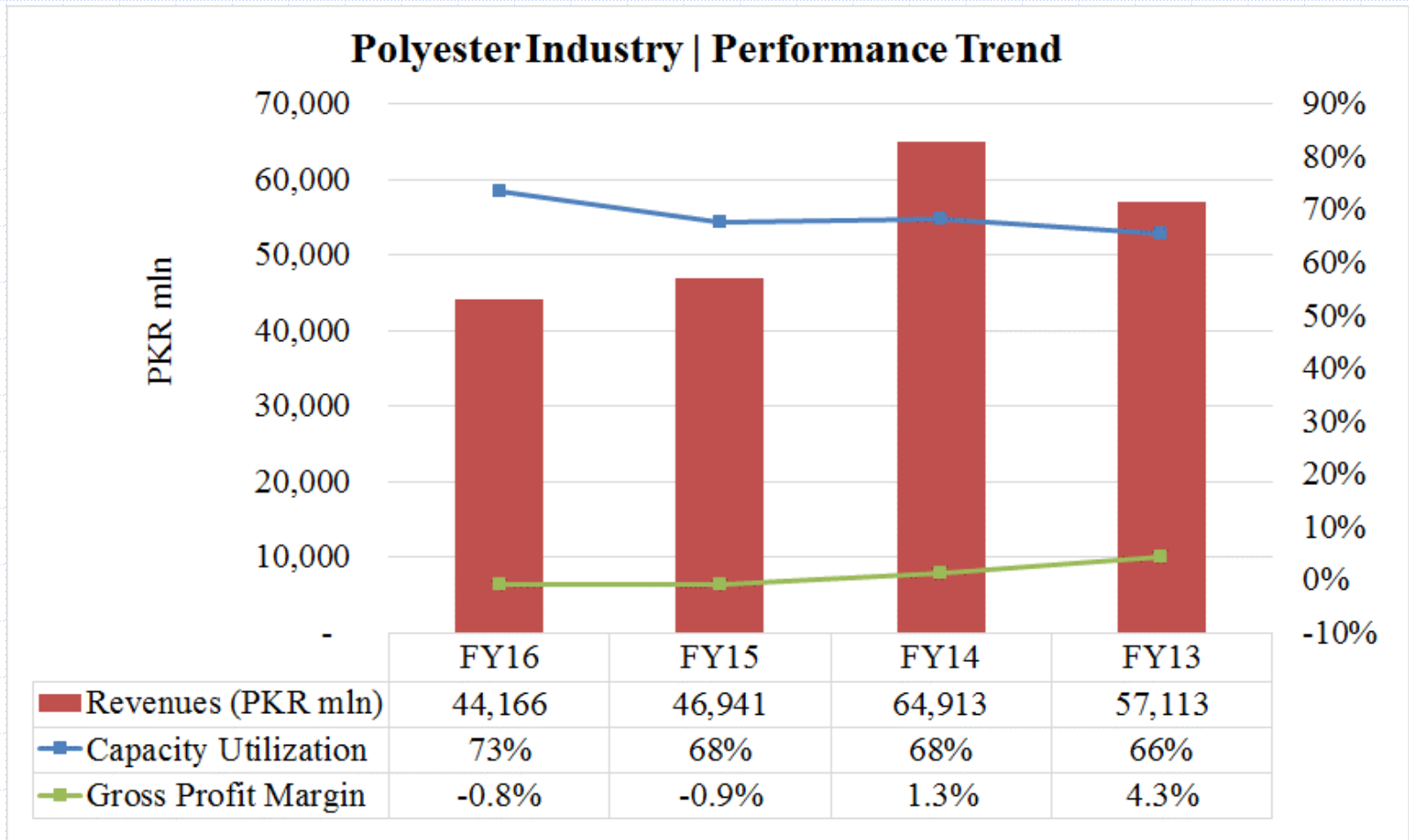
- Deewan Salman Fibers | non operational since 2009
- Operational Capacity reduced in FY15 as Pakistan Synthetic Limited shut down its PSF plant and commissioning PET plant

Industry | Performance | Sales Mix



Price (US\$/Kg)	FY16	FY15	FY14	FY13
Imported PSF	0.9	1.2	1.4	1.5
Local PSF	1.1	1.4	1.6	1.8
Price Delta [Local Over Imported]	19%	19%	19%	18%

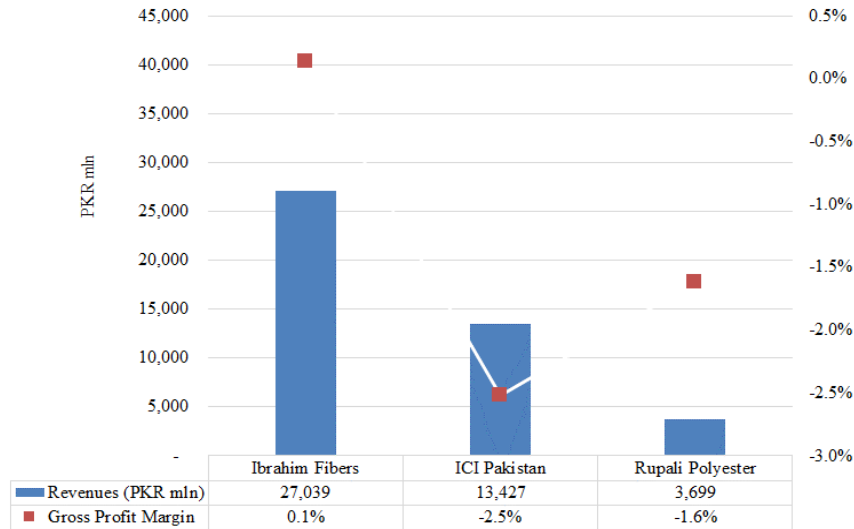
Industry | Performance Trend



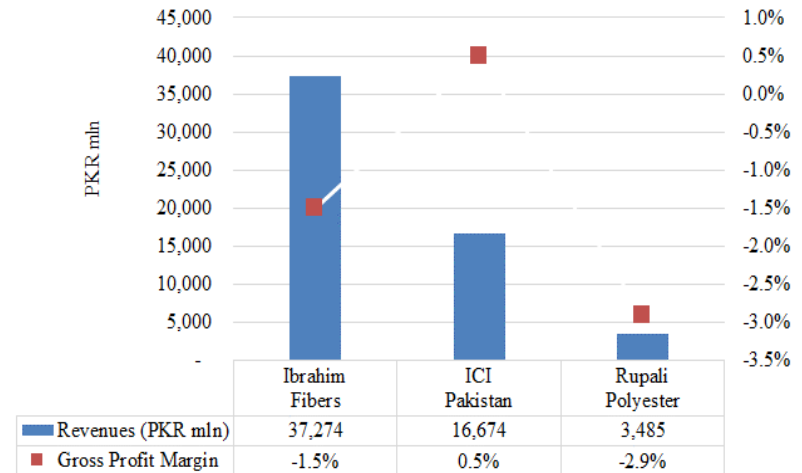
- Deteriorating performance
 Inventory losses due to declining trend in crude oil prices

Player-wise | Performance Trend

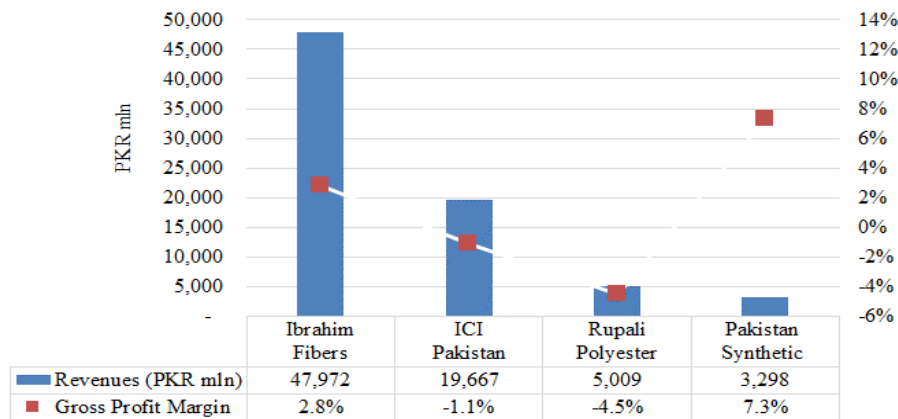
FY16 | Player-wise Performance



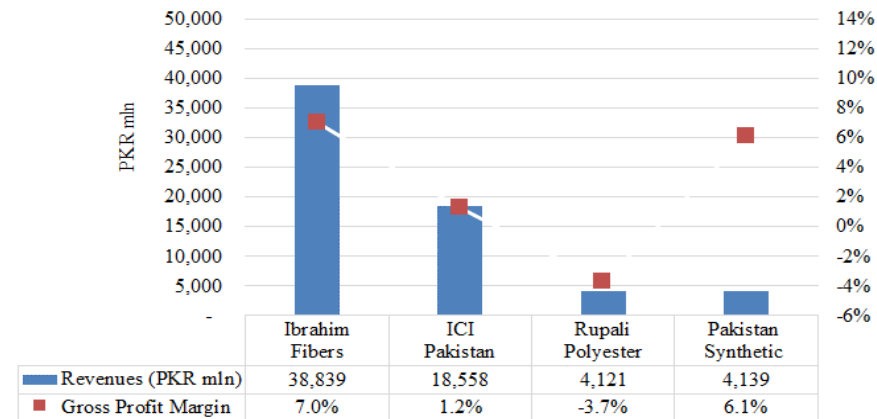
FY15 | Player-wise Performance



FY14 | Player-wise Performance



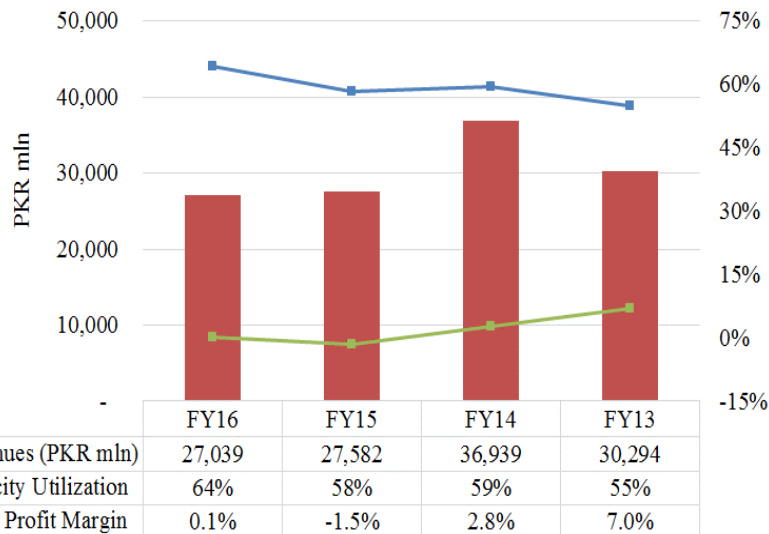
FY13 | Player-wise Performance



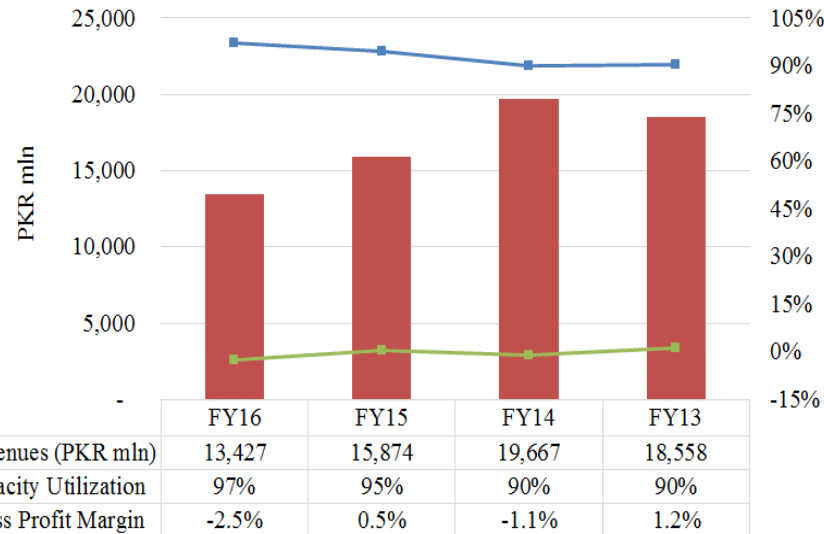
- Revenues represent respective entities Polyester segment sales.
- Margins are proportioned as per polyester segment contribution to topline where segment data is not disclosed.

Player-wise | Performance Trend

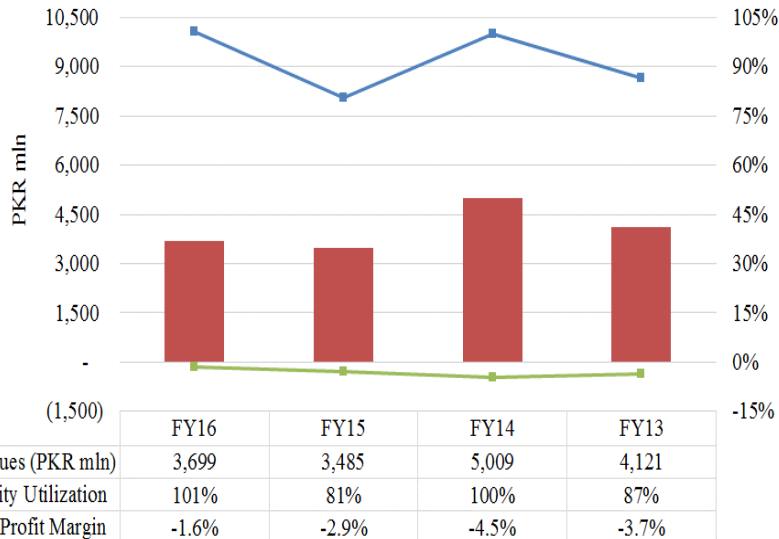
IFL | Performance Trend



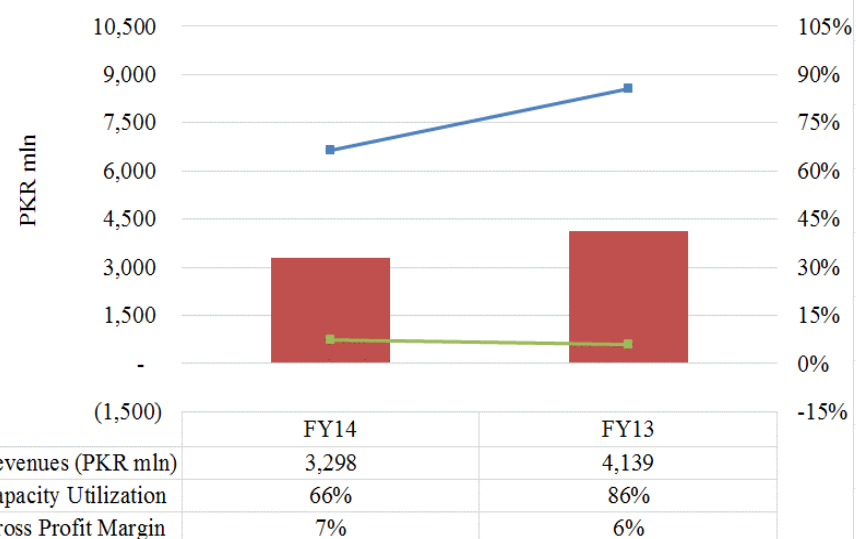
ICI | Performance Trend



Rupali Polyester | Performance Trend

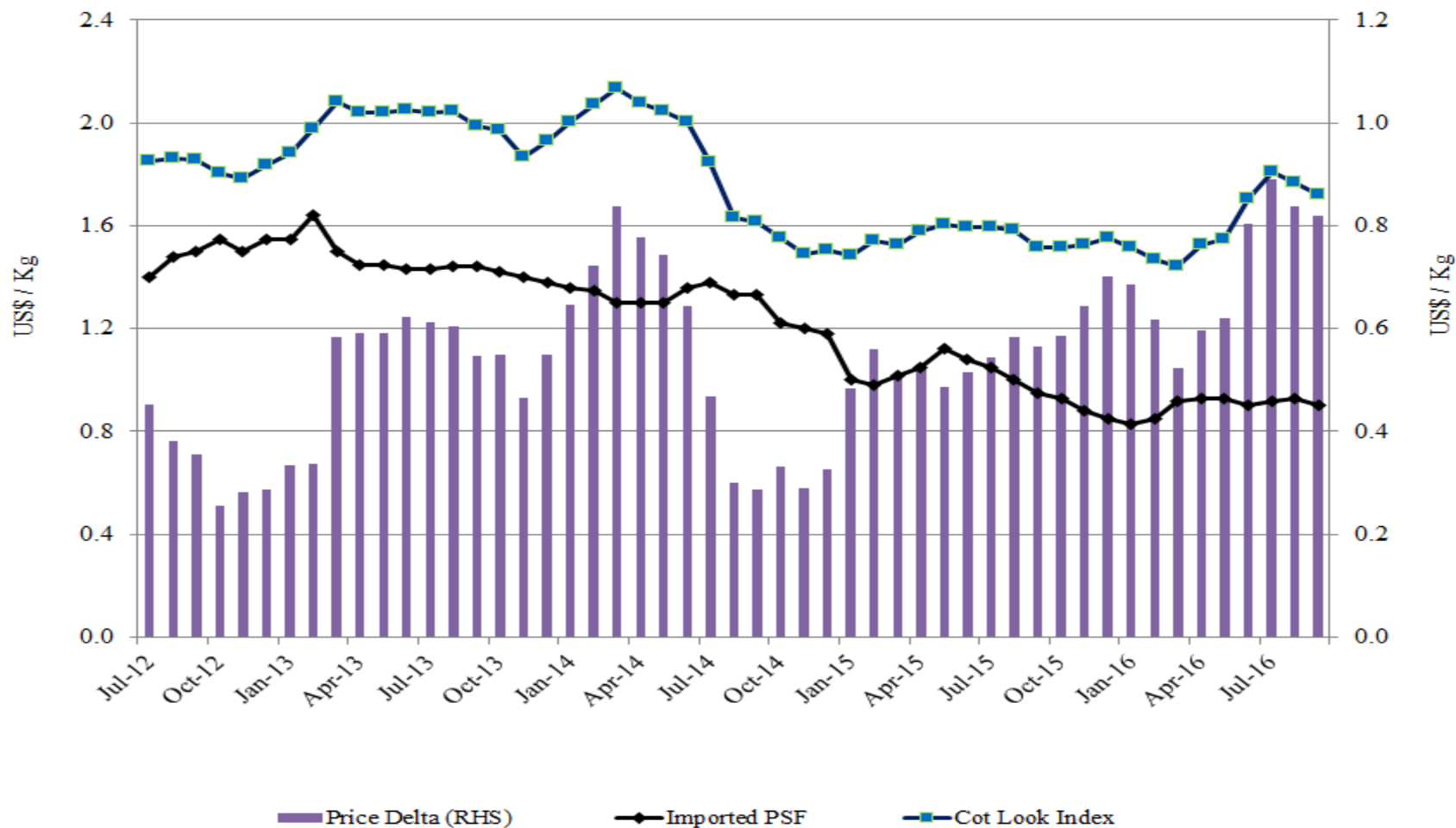


Pakistan Synthetic | Performance Trend



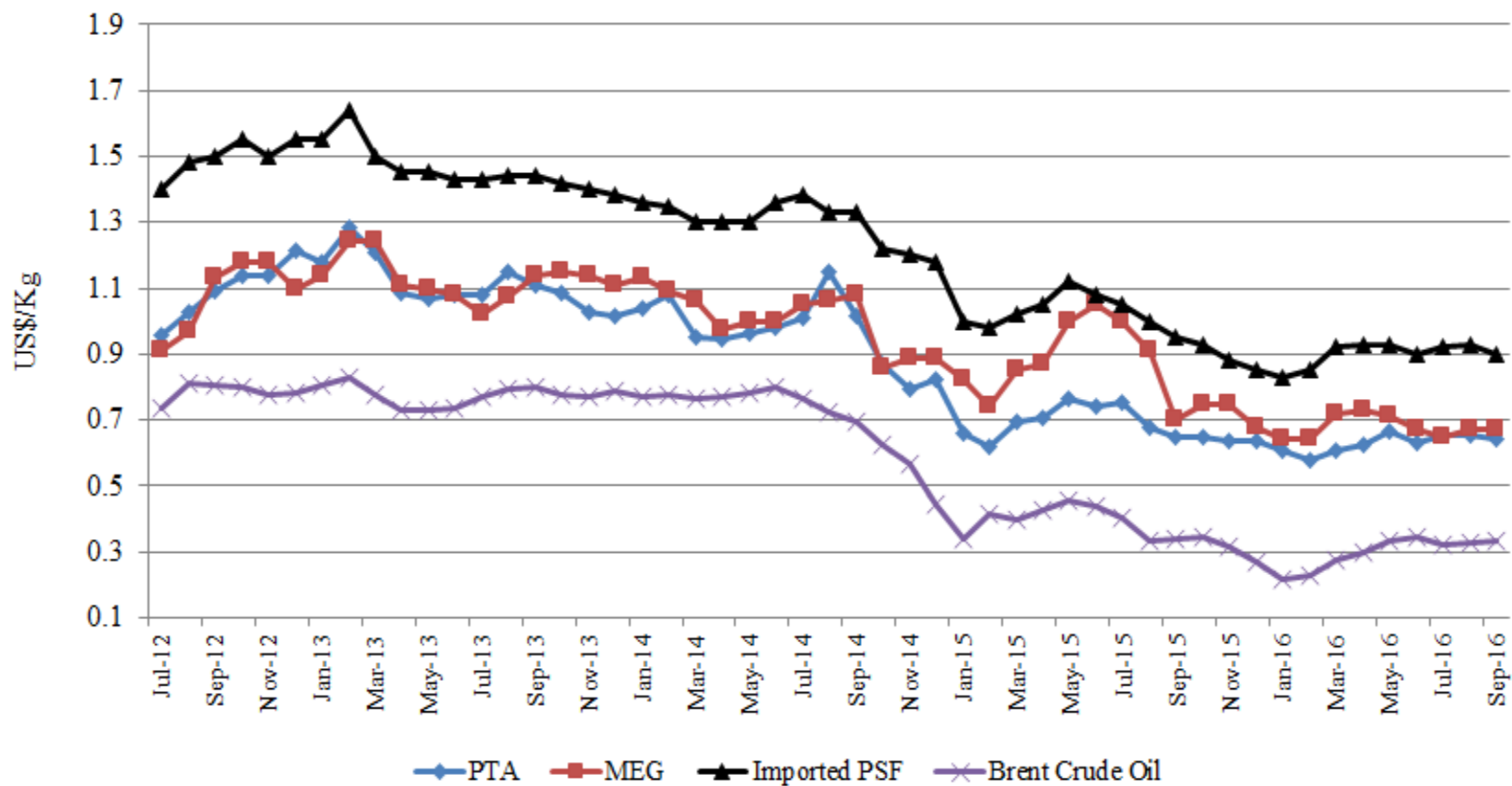
Price Trend | PSF & Cotton

Price Trend | PSF and Cotton



Price Trend | Input Vs. Output

Price Trend | PTA, MEG, Brent Oil and PSF



- PSF prices follow crude oil price trend. Lately, relative stability in crude oil prices has been witnessed

Industry | Regulatory Duty Structure

- **Anti-Dumping Duty**

- ✓ **FY16: Oct. 3, 2015 to Oct. 3, 2020 | 2.8-11.5%**
- ✓ **FY13: Dec.21, 2012 to Apr. 20, 2013 | 2.95-8.82%**

- **Custom Duty**

	Products	FY16	FY15	FY11-14	FY10	FY08-09
Raw Material	PTA	4.0%	4.0%	3.0%	7.5%	15.0%
	MEG	0%	0%	0%	0%	0%
Finished Good	PSF	10.0%	6.0%	6.0%	4.5%	6.5%

Analysts	Rida Zahoor <i>Senior Financial Analyst</i> rida.zahoor@pacra.com	Saira Rizwan <i>Manager - Ratings</i> saira.rizwan@pacra.com	Rana M. Nadeem <i>Unit Head – Ratings</i> nadeem@pacra.com
Contact Number: +92 42 3586 9504			

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