

PAKISTAN OIL AND GHEE MANUFACTURING SECTOR



**TRADE DEVELOPMENT AUTHORITY
OF PAKISTAN**





TDAP INTRODUCTION

Trade Development Authority of Pakistan is the premier trade promotion organization mandated to develop and promote products and services of the country in international markets.

TDAP implements policies and directives of Federal Government and its Board of Directors for enhancing, promoting and facilitating trade.

TDAP supports and facilitates businesses through latest information and capacity building initiatives to enhance and improve their leverage in international trade.

To achieve its objectives, TDAP organizes as well as participates in local & international trade fairs, country specific exhibitions, trade delegations, conducts seminars and organizes contacts and information

exchange events both physically as well on digital platforms.

This publication is part of the efforts of TDAP to share details and showcase Pakistan's products and services in international markets.





INTRODUCTION

Edible oil is extracted from fruits, vegetables and animals. It is used to prepare a number of delicacies. Amongst the numerous types of edible oils available commercially, soybean, palm, rapeseed, olive and sunflower oils are prevalent among buyers. The edible oil market is anticipated to grow considerably in the upcoming years due to the rising popularity of crude, natural, healthy, and organic vegetable oils. Vegetable oils that are low in fat, cholesterol, and calories are likely to record high growth due to the growing health cognizance amidst people across the globe.

The annual ghee and oil consumption in Pakistan is to five million tonnes, whereas the share of informal sector such as desi ghee, mustard oil etc is around 400,000 tonnes. 30% of the demand is met by domestic production of oilseed, while 70 percent of the requirement is fulfilled by import from foreign countries. Due to hiking import of oilseed and edible oil the country is facing deficit BOP for last few decades. The Informal sector of Edible Oil industry is estimated to be 70-80 percent of the total market share. The formal sector of edible oil industry captured 20-30 percent share of market.

Classification of edible oil and ghee according to Harmonized System of Coding is ambiguous. Oil and ghee is itself a vast category of products with the following major categories;

HS Code	Product Description
Chapter 12	Oil Seeds And Oleaginous Fruits
Chapter 15	Animal or vegetable fats and oil and their cleavage products; prepared edible fats; animal or vegetable waxes
04059020	Ghee

HUGE OPPORTUNITIES FOR PAKISTAN

Olives:

Pakistani olive oil producers are preparing to enter the global market as 27.5 million olive trees on more than 30,000 acres of land have been planted.

The plantation extends through Punjab, Khyber Pakhtunkhwa, Baluchistan, Islamabad and Azad Kashmir. Pakistan has 10 million-acre suitable land for olive plantation, almost double than Spain, which is currently the largest olive oil producer in the world. The sector is rapidly moving the country towards self-reliance by introducing Pakistan's national brand under the name of 'Pak Olive' by 2021.

The government also plans to issue certifications for the marketing and branding of olive oil for the private sector. The project targets plantations of over 50,000 acres in the country by 2022. Large-scale cultivation of the fruit will prove to be the best investment for the country in terms of increased exports, earning foreign exchange, addressing climate change and ensuring food security.



Sesame:

In Pakistan, sesame is grown in 65 districts. According to Federal Bureau of Statistics 2018-19, 366 million tons of sesame seeds amounted to Rs.9000 million was exported. Potential areas for sesame cultivation in Pakistan are Gujrat, Sialkot, Gujranwala, Attock, Bhakkar, Faisalabad in Punjab, Tharparkar/, Dadu and Hyderabad in Sindh, Kohat and D.I. Khan in Khyber Pakhtunkhwa and Naseerabad and Lesbela in Baluchistan. Pakistan ranks 11th on global exporters list of sesame. The dependence on sesame import in Europe is high. Thus, Pakistan should focus on value-addition as well as market access for sesame seeds by tapping Europe as a potential market in the first phase.





PRODUCTION AREAS IN PAKISTAN

Ecological Zone/ Region	Rapeseed-Mustard	Sunflower	Ground Nut	Sesame	Olives
Uplands of Balochistan	Chagai, Dere Bughti	Pisin, Loralai, Chagai, Kela Saifullah			Zhob, Khuzdar, Loralai, KilaSaifullah, and Musa Khel
Plains and foothills of Balochistan	Nasirabad, Kocchi, Sibi, Lasbella	Nasirabad, Kocchi, Mastang		Nasirabad, KACchi, Sibi, Lasbella and Turbat	
Southern region of Sindh	Thatta, Badin, Hyderabad, Naushero Feroze and Southern parts of Dadu	Thatta, Badin, Hyderabad, Naushero Feroze and Southern parts of Dadu		Thatta, Badin, Hyderabad, Naushero Feroze, Dady & Mirpur Khas	
Northern region of Sindh	Nawabshah, Khairpur, Larkana, Sukkar, Jacobabad, Shikarpur, Sanghar, Ghorki and Northern of Dadu	Nawabshah, Khairpur, Larkana, Sukkar, Jacobabad, Shikarpur, Sanghar, Ghorki & Northern parts of Dadu	Sanghar	Nawabshah, Khairpur, Sukkar, Jacobabad, Shikarpur, Sanghar, Ghorki and Northern parts of Dadu	
Southern Punjab	Rahim Yar Khan, Bahawalpur, Bahawalnagar, D.G. Khan, Rajanpur, Layyah, Bhakkar, Muzaffargharh, Vehari, Multan, Lodhran, Khanewal	Rahim Yar Khan, Bahawalpur, Bahawalnagar, D.G. Khan, Rajanpur, Layyah, Bhakkar, Muzaffargharh, Vehari, Multan, Lodhran, Khanewal	Bahawalpur, Layyah, Bhakkar	Rahim Yar Khan, Bahawalpur, Bahawalnagar, D.G. Khan, Rajanpur, Layyah, Bhakkar, Muzaffargharh, Vehari, Multan, Khanewal	Layyah, Bhakkar and Mianwali
Central Punjab	Sahiwal, Okara, Faisalabad, Jhang, T.T. Singh, Kasur, Sheikhpura, Khushab and Southern parts of Sargodha & Mianwali	Faisalabad, Kasur, Sheikhpura, and Southern parts of Sargodha, Mianwali	Faisalabad and Mianwali, Khushab, Jhang	Faisalabad, Okara, Sahiwal, Jhang, T.T. Singh, Kasur, Sheikhpura, and Southern parts of Sargodha	Lahore, Kasur, Sahiwal, Faisalabad

Ecological Zone/ Region	Rapeseed-Mustard	Sunflower	Ground Nut	Sesame	Olives
Northern Punjab	Northern parts of Sargodha and Mianwali, Cujarnwala, Hafizabad, Gujrat, Mandi Bahaudin, Sialkot, Narowal, Jhelum, Chakwal, Rawalpindi, Islamabad, Attock	Cujarnwala, Hafizabad, Gujrat, Mandi Bahaudin, Sialkot, Narowal, Jhelum, Attock	Rawalpindi, Jhelum, Attock, Chakwal	Sargodha, Gujranwala, Hafizabad, Gujrat, Mandi Bahaudin, Sialkot, Narowal, Jhelum, Chakwal, Rawalpindi and Attock	Attock, Chakwal, Kalar Kahar, Rawalpindi
Southern Parts of NWFP	D.I. Khan, Bannu	D.I. Khan	D.I. Khan Southern part, Kohat, Karak	D.I. Khan, Karak and Kohat	
Foothills and Plains of NWFP	Peshawar, Swabi, Bajour Agency	Mardan, Swabi	Swabi, Northern part of Kohat and Karak	Swabi, Charsadda, Mardan, Haripur and half part of northern Karak and Kohat	Abottabad
Upland of NWFP	Dir, Swat, Bajour Agency		Malakand Division	Mansehra	Mansehra, Swat, Waziristan, Bajaur, Kurram
Azad Kashmir	Mirpur districts of Azad Jammu and Kashmir				

PRODUCTION (5 YEARS DATA)

Crops	Yearly Yield (kg/ha)		
	2016	2017	2018
Rapeseeds-mustard	941.3	1020	980.3
Groundnut	997.8	947	868.8
Canola	1101.4	1147.1	1098.5
Sesame	404.6	426.3	428.1
Linseed	709.7	724.1	793.1
Castor seed	1055.6	1058.8	1300

Source: MNFSR

VARIETIES/CALORIES/UTILITIES/USAGES / CONTENTS

In Pakistan two types of Oilseed crops are cultivated;

- Traditional crops (Rapeseed-Mustard, Groundnut, Sesame and Linseed)
- Non-Traditional crops (Sunflower, Safflower, Soybean)

Oilseeds are rich in protein, and in addition they contain a high level of fat. Hence, they are not only good sources of protein, but, also concentrated source of energy. The proteins in oilseeds can be fed either as part of the oil-intact seed, or as a meal from which the oil has been removed. Oilseeds and their derivatives vegetable oil and meal are in demand globally.

Oils:	Caloric Content per 100 g:
Rapeseeds-mustard	884
Groundnut	884
Canola	884
Sesame	880
Linseed	884
Castor seed	738

Edible oils are majorly used for cooking, though occasionally oils like coconut oil, almond oil and peanut oil are used for personal care in the making of hair oils and soaps. Vegetable oils are also blended into the feed of animals, to increase their nutrition intake and for their fattening. Some small scale applications of edible oil its use to prepare bio-diesel, lubricants, solvents and emulsions.

TESTING / CERTIFICATIONS/ REGISTRATION AGENCIES



TOP IMPORTING COUNTRIES

Pakistan exported oil and ghee to the following countries in year 2019;

S.No.	Importing Countries	Exported Value
1	World	92,407
2	United Arab Emirates	16,356
3	Republic of Korea	7,173
4	Kazakhstan	6,342
5	Afghanistan	5,531
6	Viet Nam	5,453
7	Asia not elsewhere specified	4,572
8	Qatar	4,345
9	Japan	4,116
10	China	3,996
11	Kuwait	3,996

Sources: Trade map

UNIT VALUE: THOUSAND US DOLLARS

PAK EXPORT FIGURES (5 YEARS)

Product	Value in 2015	Value in 2016	Value in 2017	Value in 2018	Value in 2019
World	90,255	75,108	85,251	116,479	92,407
United Arab Emirates	12,545	8,895	8,613	10,534	16,356
Korea, Republic of	3,075	3,639	5,069	8,779	7,173
Kazakhstan	2,305	4,555	10,041	9,816	6,342
Afghanistan	2,794	1,141	3,558	1,252	5,531
Viet Nam	10,002	4,748	5,360	11,784	5,453
Asia not elsewhere specified	0	0	4,568	6,441	4,572
Qatar	1,989	2,060	1,327	2,431	4,345
Japan	3,459	2,088	3,424	9,905	4,116
China	2,108	1,665	5,942	5,310	3,996
Kuwait	5,340	6,061	6,722	5,286	3,996

Sources: Trade map

UNIT VALUE: THOUSAND US DOLLARS



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