POLYESTER INDUSTRY

Contents

Polyester Fibre Industry

Polyester is a category of polymers that contain the ester functional group in their main chain. It most commonly refers to a type called polyethylene terephthalate.

Polyester is made from petrochemicals Purified terephthalic acid **(PTA)** and Monoethylene glycol **(MEG)**

Worldwide Polyester industry is part of large petrochemical complex.

Alpek, Reliance, China Petrochemicals, Mitsui Chemicals are largest players of the world

In Pakistan, Polyester industry is dominated by three players Ibrahim Fibres, ICI Pakistan and Rupali Fibres

Dewan Salman Fibres plant is not operational

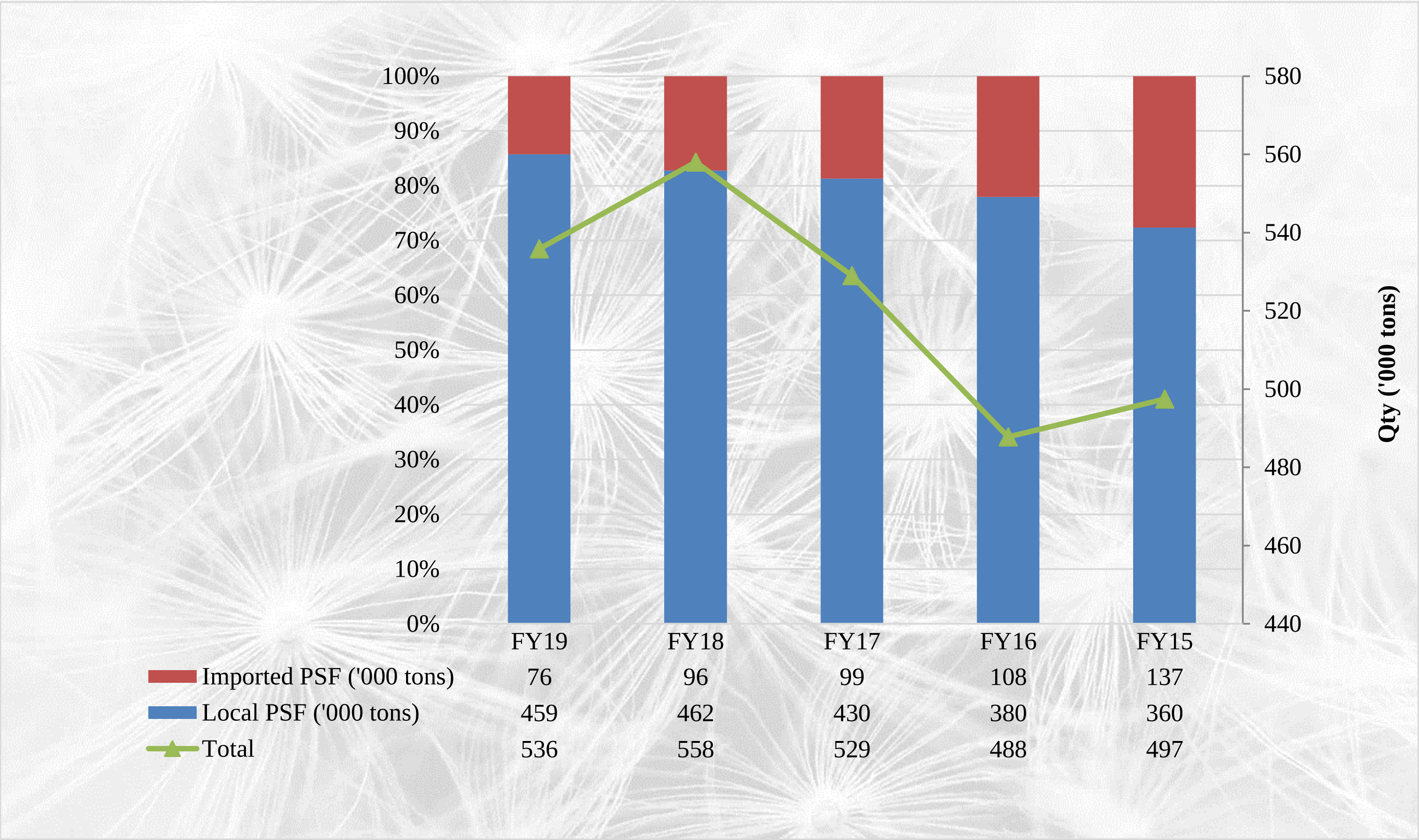
Industry | Performance | Sales Mix

FY19							
Sr. #	Companies	Installed Capacity (tpa)	Operational Capacity (tpa)	Market Share (Operational Capacity)	Production (tpa)	Capacity Utilization	Market Share (Production)
1	Ibrahim Fibers Limited	390,600	390,600	72%	313,880	80%	66%
2	Dewan Salman Fibers Limited	240,000	-	-	-	-	-
3	ICI Pakistan Limited	126,853	126,853	24%	121,585	96%	26%
4	Rupali Polyester Limited	23,725	23,725	4%	24,005	101%	5%
	Total	**781,178**	**541,178**	**100%**	**459,470**	**85%**	**100%**

FY18							
Sr. #	Companies	Installed Capacity (tpa)	Operational Capacity (tpa)	Market Share (Operational Capacity)	Production (tpa)	Capacity Utilization	Market Share (Production)
1	Ibrahim Fibers Limited	390,600	390,600	72%	326,269	84%	69%
2	Dewan Salman Fibers Limited	240,000	-	-	-	-	-
3	ICI Pakistan Limited	126,853	126,853	24%	126,853	100%	27%
4	Rupali Polyester Limited	23,725	23,725	4%	20,843	88%	4%
	Total	**781,178**	**541,178**	**100%**	**473,965**	**88%**	**100%**

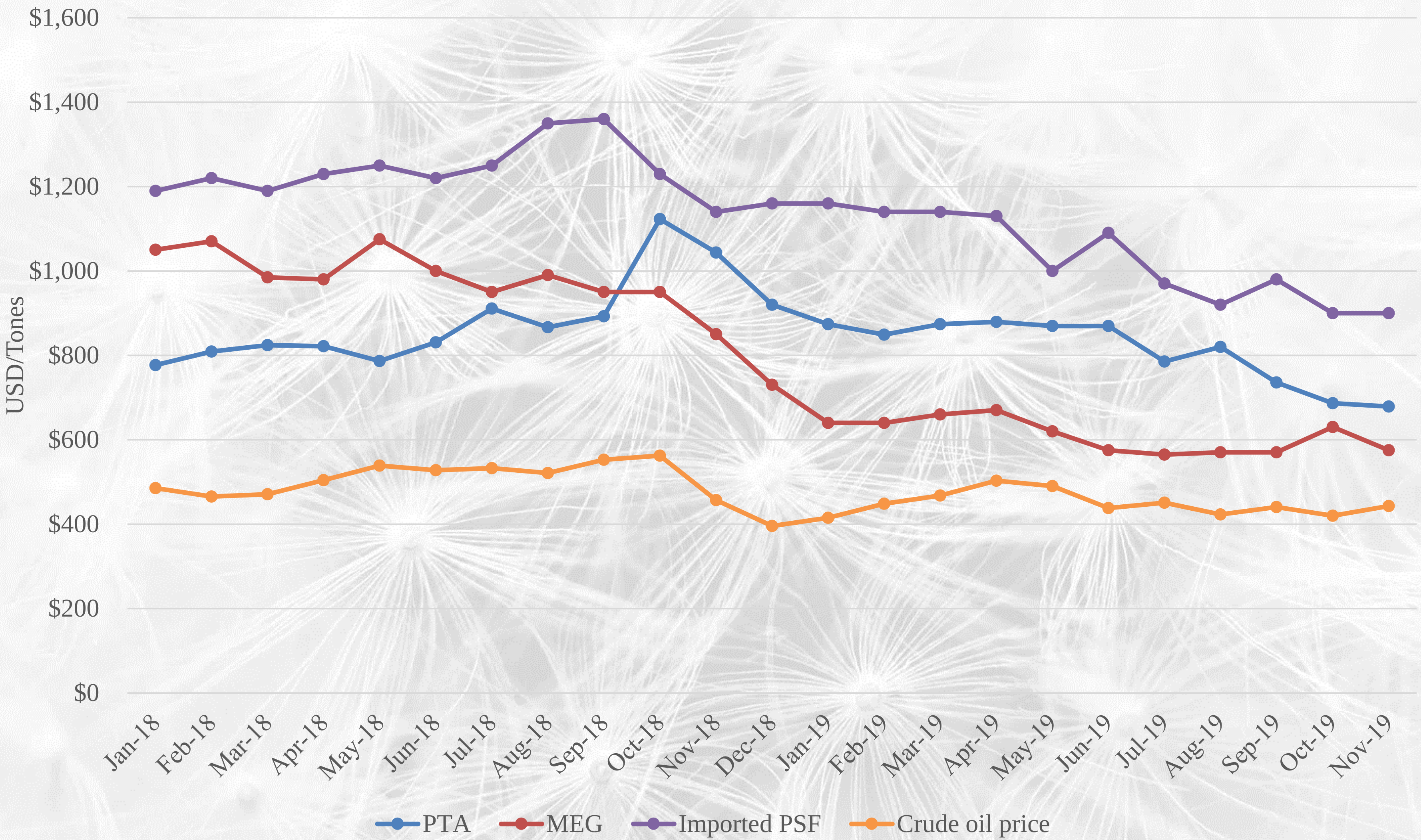
FY17							
Sr. #	Companies	Installed Capacity (tpa)	Operational Capacity (tpa)	Market Share (Operational Capacity)	Production (tpa)	Capacity Utilization	Market Share (Production)
1	Ibrahim Fibers Limited	390,600	390,600	73%	290,697	74%	67%
2	Dewan Salman Fibers Limited	240,000	-	-	-	-	-
3	ICI Pakistan Limited	122,250	122,250	23%	121,929	100%	28%
4	Rupali Polyester Limited	23,973	23,973	4%	23,387	98%	5%
	Total	**776,823**	**536,823**	**100%**	**436,013**	**81%**	**100%**

Industry | Performance Trend



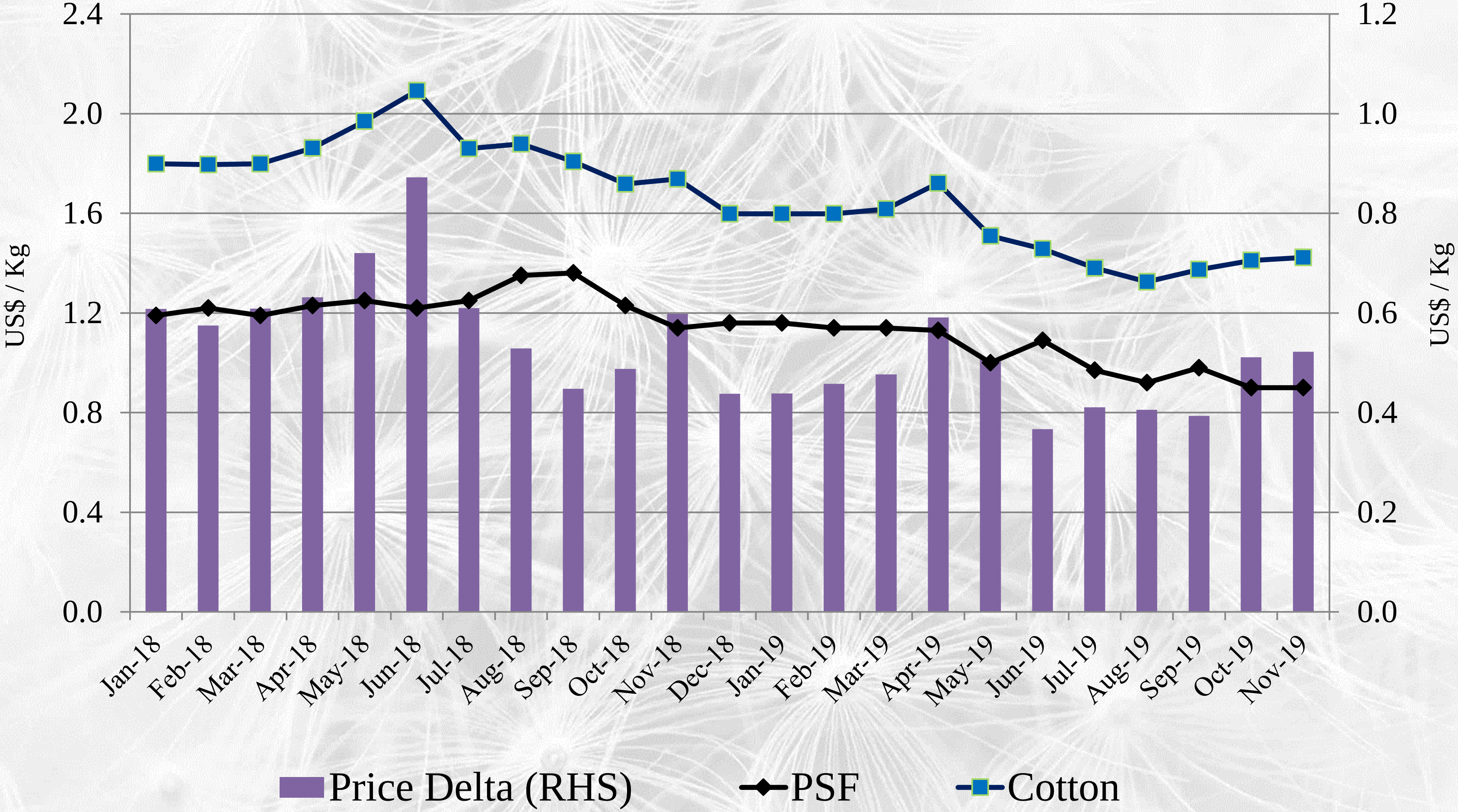
- PSF demand has seen ~4% CAGR since 2015
- Anti Dumping duties helped the local industry
- Capacity utilization improved of local players

Price Trend



Source : IFL

Price Trend | PSF and Cotton



Source : Bloomberg

Recycled Polyester Staple Fibre - rPSF

Recycled Polyester staple Fiber is prominent segment in recycling PET and it has been projected that the Recycled Polyester staple Fiber is going to be the fiber of the future in the entire textile industry.

International chains like IKEA etc are now pushing its suppliers to use recycled PSF for its products

In Pakistan rPSF is relatively new product

rPSF is priced at 75% of PSF price

rPSF is used in both in woven and nonwoven industry

rPSF | Installed capacity

Khalis Fibre was pioneer of regenerated Fibres in Pakistan

E-Vision incorporated in 2014 is market leader in terms of capacity and utilization

Pakistan’s rPSF Market dominated by five players with four players in North and one player in south

Plant	Capacity (tpa)
E-Vision	21,000
Lasani	21,000
Pinnacle Fibre	17,500
Khalis Fibre	15,750
Sun Fibre	10,500
Total	**85,750**

Industry | Regulatory Duty Structure

- **Custom duty**

	Products	FY19	FY18	FY17	FY16	FY15	FY11-14
Raw Material	PTA	16%	16%	16%	15%	15.0%	3.0%
	MEG	3%	3%	3%	2%	1%	0%
Finished Good	PSF	11%	11%	11%	10%	10.0%	6.0%

- **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%**

Opportunities & Challenges

Anti Dumping Duties have helped Polyester industry and continuation of anti dumping duties will remain important

Few Players dominate the market with high barriers to entry

Penetration of polyester remains low and there is still room for blended yarn in Pakistan

rPSF has room for growth as it can provide polyester fibre at cheaper rate

Oil Price volatility remains major risk for the industry

Withdrawal of Zero Rated Status has hampered growth of the industry as textile sector being major customer is suffering from liquidity crunch

High interest cost and exchange gain has further made backward and forward integration tougher

Amidst US China War demand of Polyester has decreased recently

Bibliography

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