

2 Real Sector

2.1 Agriculture Sector Performance

A record wheat harvest, and upward revision in the production figures for key *kharif* FY07 crops has raised the prospects of a strong recovery by the agriculture sector in FY07. Resultantly, the growth for major crops could reach as high as 5.8 percent in FY07, significantly better than the target growth of 4.3 percent for the year (see **Table 2.1**). Similarly, the limited available information on minor crops also indicates a recovery in recent months after losses during the initial period of the fiscal year due to extended rains and snow. Thus, if the livestock sub-sector also performs well, the aggregate annual growth of the agriculture sector could surpass its annual target of 4.5 percent during FY07.

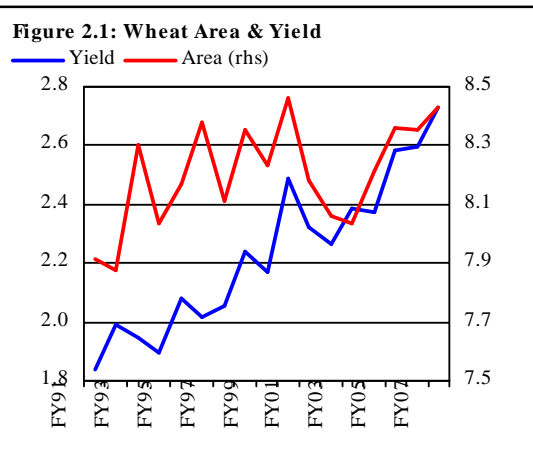
The upward revision, in the production figures for cotton (the outcome of the third and final picking was better than earlier estimates) and sugarcane means that value addition by important major *kharif* crops grew 2.7 percent (in contrast to the marginal decline indicated by earlier figures). However, the most significant contribution to the improvement in the agri-growth estimates was from the exceptional FY07 wheat harvest. The 23 million tons wheat harvest is not only well above the target of 22.5 million tons, it is the largest ever recorded in Pakistan.

A rise in the area under cultivation for wheat, higher irrigation water availability,

Table 2.1: Agriculture Value Added Growth
percent

Sector/sub-sectors	FY05	FY06	FY07 ^T	FY07 ^E
Agriculture	6.7	2.5	4.5	5.0
Major crops	17.8	-3.6	4.3	5.8
Minor crops	3.0	1.6	2.3	2.3
Livestock	2.3	8.0	5.2	5.2
Fishing	2.2	1.9	4.0	4.0
Forestry	-33.2	-5.7	3.2	3.2

T: Targets E: SBP estimates based on MINFAL data



policy support¹ as well as efficient use of inputs were the main reasons for the exceptional growth of 6.0 percent in FY07 wheat harvest. A strong contribution also came from favorable weather as good monsoon rains left sufficient moisture in non-canal areas and subsequently timely rains through the growth phases of the crop supported a rise in yields (see **Figure 2.1**).

However, there is a significant potential to further enhance yields, if growers emphasized on further improvement in soil management through laser leveling technology, planting of certified seed, improvements in weed & pest control.

Other Crops

The output of gram showed an exceptional growth of 58.2 percent in FY07 against 30.0 percent decline registered last year. This performance resulted from strong yield growth of 57.0 percent owing to higher monsoon rains, relatively better sowing practices, and winter rains that especially favored the non-canal areas. Further, the crop yield was well supported by the increased fertilizers mix use during FY07 following to the rising price signals from the market. The available data suggested that except maize, other crops posted strong production growth rates in FY07 than in the previous year (see **Table 2.2**).

Crop Outlook FY08

On the expectations of higher irrigation water availability and continued policy support,² production targets for *kharif* crops for FY08 have been fixed higher as compared with the realized harvests in FY07 (see **Table 2.3**). However, actual performance will depend critically on market prices and favorable weather conditions. On the former count, the FY07 increases in price of cotton and rice and persistently high sugarcane prices will be encouraging for the farmers in FY08.

Table 2.2: Production of Other Crops
thousand tons

Crops	FY05	FY06 ^P	FY07 ^E	YoY change (%)
Gram	766	536	848	58.2
Maize	2,520	3,560	2,907	-18.3
Potato	2,025	1,568	2,470	57.5
Mung	130	114	138	21.1

P: Provisional, E: Estimates *Source: MINFAL*

Table 2.3: Targets of Major Kharif Crops

Crops	Area (000 hectares)		Production (000 tons)	
	FY07	FY08	FY07	FY08
Cotton*	3,250	3,250	13,820	14,140
Sugarcane	1,005	1,040	50,500	55,876
Rice	2,575	2,594	5,693	5,439
Maize	1,001	1,010	3,279	3,221

Source: MINFAL ; () 000' bales*

¹ Fertilizers mix use technique was well utilized by the farmers, following subsidy on DAP.

² Continuity of subsidy on DAP fertilizers.

2.1.1 Agricultural Inputs

Irrigation Water Availability

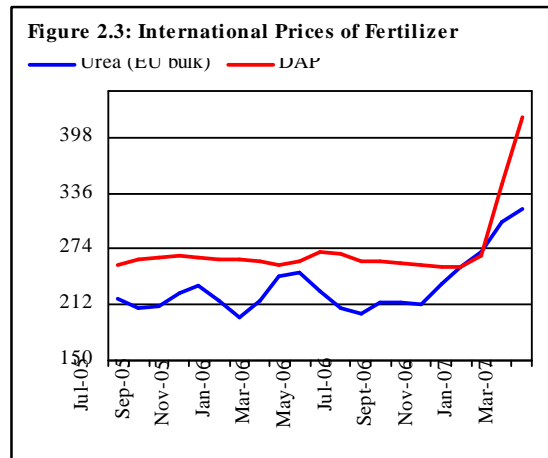
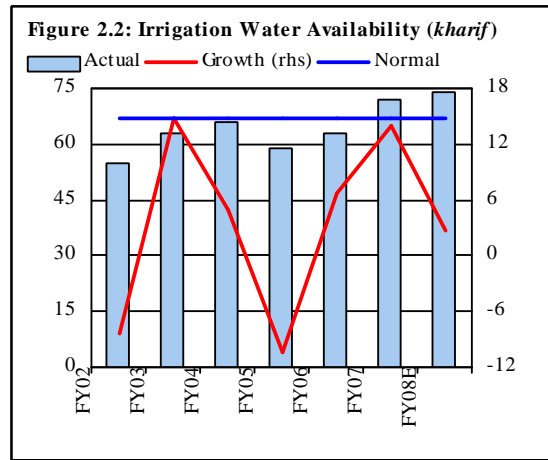
The improved availability of water as a result of better monsoon and winter rains coupled with snowfall through February-March FY07 bodes well for water availability in FY08. Overall rains compounded a growth of 29.1 percent during July-March FY07 over the same period of last year and the increased water supply has not only helped to meet irrigation requirements for the *rabi* crops but would also fulfill the needs of *kharif* FY08 crops, leaving a reasonable water in the reservoirs for future use as well.

Indus River System Authority (IRSA) reported that canal flows are at full capacity and there would be no shortage through current *kharif* season.³ However, farming sector has been advised to be careful in consumption of irrigation water, while losses between canal heads and farm gate need to be curtailed.

Kharif FY08 season will be facilitated with 6.8 MAF higher water availability (2.8 percent rise over *kharif* FY07), which may help to enhance the planted area as well as harvesting of *kharif* crops (see **Figure 2.2**).

Fertilizer Off-take

The domestic prices of fertilizers increased during FY07 reflecting the rising international prices and soaring demand.

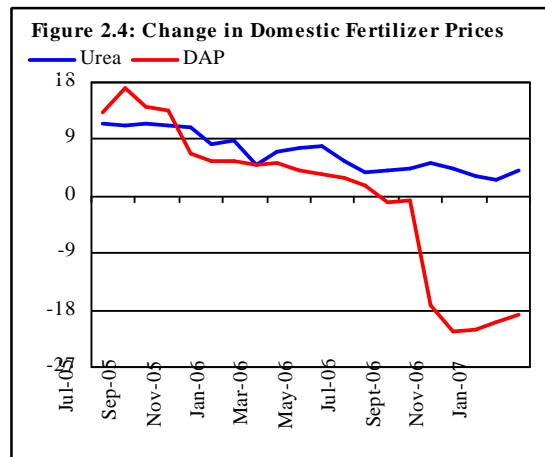


³ *Kharif* FY08 season already started from 1st April, 2007.

International urea prices, in particular, have jumped 161.0 percent in March 2007 relative to July 2006, following the increases in energy cost (see **Figure 2.3**).

The subsequent increases witnessed in the international prices of DAP since January 2007 was even stronger, and forced domestic dealers to enhance the prices by end of March, 2007.

Partly as consequence of the higher prices (see **Figure 2.4**), fertilizer off-take dipped 9.1 percent YoY during July-March FY07 in contrast to 5.6 percent increase seen last year. The fall is essentially due to declining *urea* off-take; the demand for phosphatic fertilizers was strengthened due to a subsidy given by the government.



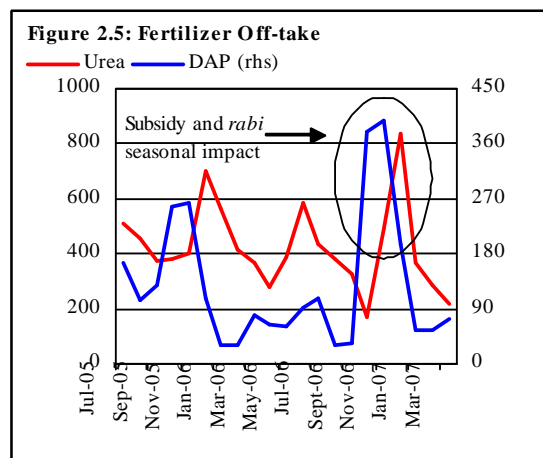
The slowdown was more pronounced in the 1st and 3rd quarter of FY07 compared with the same periods of last year. However, second quarter of FY07 denoted a strong growth of 17.7 percent against 2.0 percent rise seen in last year; because of higher off-take for *rabi* crops (see **Table 2.4**).

Despite a record off-take i.e. 25.5 percent of total off-take between Jul-March FY07, in single month (839 thousand tons in Dec 2006),⁴ *urea* off-take declined by 15.5 percent YoY Jul-March FY07 against 6.1 percent increase witnessed in the same period of last year. While its share in total national off-take declined by 5.5 percentage points on YoY basis. The declining trend of *urea* demand since July, 2006 did see a temporary reversal during November-December (the wheat sowing season), but continued thereafter.

Period	FY05	FY06	FY07
Q1	1,727	1,735	1,315
Q2	2,065	2,107	2,480
Q3	1,249	1,481	1,046

⁴ Urea off-take rose by 86 percent YoY in December due to complimentary effect of subsidy on DAP during wheat sowing period coupled with favorable weather conditions and water availability increased the prospects of a good wheat crop.

On the other hand, owing to the subsidy, and the Government's media campaign to promote usage of a balanced mix of nutrients, DAP demand growth picked up substantially after subsidy announced in October 2006. As a result July-March FY07 DAP off-take increased by 14.0 percent YoY compared with a rise of only 3.8 percent seen in July-March FY06 (see **Figure 2.5**). Consequently, the share of DAP in total fertilizers off-take jumped to 27.5 percent YoY in July-March FY07 compared with 21.9 percent in the corresponding period last year.



The demand for fertilizers, particularly DAP is likely to remain strong, due to enhancement in subsidy on Phosphatic fertilizers and on going plantation of *kharif* FY08 crops.

Agriculture Credit

The growth in agri-credit disbursement slowed in FY07, after witnessing exceptional growth in the past three years. While this may partly reflect lower demand, as a result of better farming incomes given reasonable prices received from *kharif* FY07 crops, a significant contribution to the deceleration may also reflect rising cost of fund as well as some banks desire to limit exposure to this sector while they restructure to improve extension services, risk management, etc.

Table 2.5: Target Achievement Ratio (Jul-Mar)
percent

Banks	FY04	FY05	FY06	FY07
5 largest comm banks*	98.5	93.1	74.6	61.2
ZTBL	58.8	74.1	67.5	85.2
PPCBL	64.0	70.5	46.5	58.6
DPBs	62.4	151.6	73.2	69.9
Total Banks	73.1	86.8	70.1	69.5

*: NBP, HBL, MCB, UBL, and ABL

The latter is particularly reflected in the decline in the credit disbursement by the five largest commercial banks. Indeed, during July-March FY07 the agri-credit disbursement target to achievement ratio dropped for all banks except ZTBL (which recorded an increase of 17.7 percentage points YoY) and PPCBL (up by 12.2 percentage points YoY - see **Table 2.5**).

In aggregate growth in agri-credit disbursement decelerated by 1.5 percentage points YoY in July-March FY07 compared to the same period of FY06. Similarly, target achievement ratio also slipped by 0.6 percent during the period under review. The pace of credit disbursement was much slower in first and second quarters while its tempo picked up in 3rd quarter of FY07 mainly due to early purchase of inputs for *Kharif* FY08 season (see **Figure 2.6**).

The slowdown during July-March FY07 was mainly caused by the five largest commercial banks⁵ as their disbursement growth decelerated by 28.5 percentage points in July-March FY07 compared to July-March FY06 (see **Table 2.6**).

The five largest commercial banks witnessed a decline of 3.9 percent in agri-credit during the first quarter of FY07 compared to an increase of 43.9 percent in Q1-FY06 (see **Figure 2.7**). In contrast, agri-credit disbursement by specialized group of banks showed a

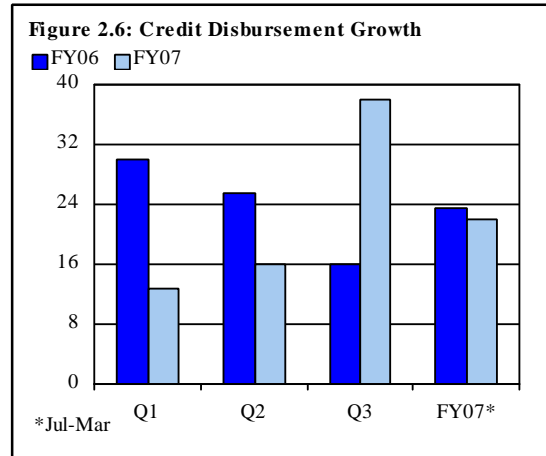
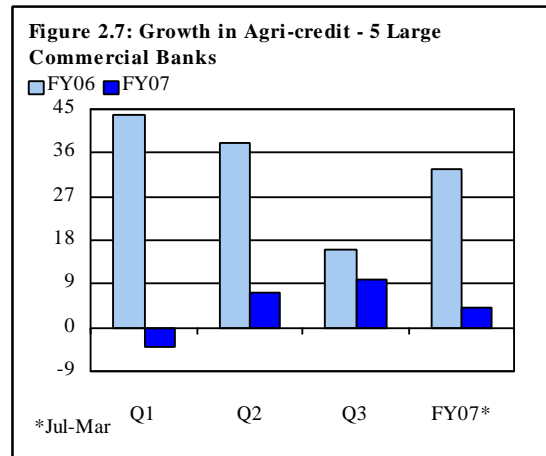


Table 2.6: Growth in Agri-credit Disbursement (Jul-Mar)
percent

Banks	FY05	FY06	FY07
ABL	82.9	25.6	22.6
HBL	90.3	40.7	-16.6
MCB	62.7	-4.9	31.1
NBP	51.2	24.8	13.8
UBL	14.1	90.6	3.2
Total	60.4	32.7	4.2



⁵ ABL, HBL, MCB, NBP and UBL.

better performance compared to the five largest commercial banks during the first nine months of FY07. In aggregate these banks registered a strong growth of 40.8 percent YoY in July-March FY07 compared with 15.0 percent in the same period of last year (see **Table 2.7**).

Table 2.7: Specialized Banks Credit Disbursement Growth
percent

Period	ZTBL	PPCBL	DPBs
Q1	43.2	4.5	36.1
Q2	16.7	48.2	46.5
Q3	71.2	29.2	55.6
FY07 (Jul-Mar)	40.8	26.0	46.5

Credit Recovery

Increased income of farming sector is truly reflected by the improvement in the agri-credit recovery, which grew by 22.5 percent YoY during July-March FY07 against 16.1 percent increase seen last year. This was entirely due to better recovery performance demonstrated by ZTBL, PPCBL, MCB and UBL. However, slow recovery was reported by domestic private banks and CBs (except MCB and UBL). Agri-credit recovery by the five largest commercial banks dropped by 3.1 percentage points in July-March FY07 compared to the previous year, largely due to weaker performance of ABL, HBL and NBP (see **Table 2.8**).

Table 2.8: Agri-credit Recovery Performance

Banks	Growth (%)		Share (%)	
	FY06	FY07	FY06	FY07
Five largest commercial banks*	23.8	20.7	48.0	47.3
ZTBL	1.8	21.5	35.9	35.6
PPCBL	-17.4	-1.0	5.1	4.2
DPBs	86.0	44.2	11.0	12.9
Total	16.1	22.5	100	100

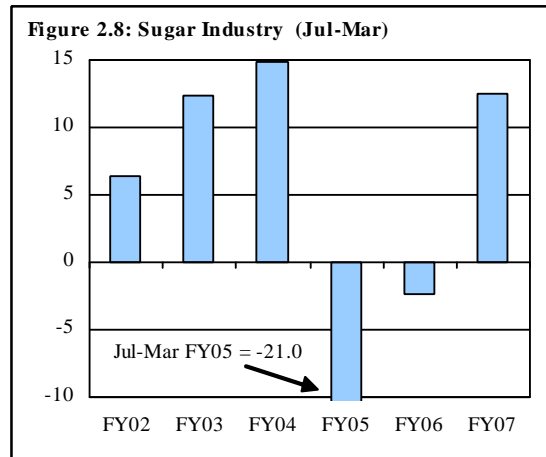
*: NBP, HBL, MCB, UBL, and ABL

2.2 Large Scale Manufacturing (LSM)

The following analysis, which represents the developments in selected *large scale manufacturing* industries, is based on the limited information regarding production data collected by various associations and committees.¹ Due to non-availability of any aggregate manufacturing indicators,² this analysis may not be the true picture of growth in overall *LSM*, and it may also not be comparable with the trends reported in the earlier SBP reports. The detailed LSM data of 100 items for Q1-FY07 and limited information for the subsequent months of the current fiscal year indicate that *LSM* growth during July-March FY07 is probably higher than in the corresponding period of FY06, but suggest that 13.0 percent growth target of *LSM* sector for FY07 may not be achieved.

Sugar

Pakistan Sugar Mills Association's (PAMA) production data for the first nine months of the current fiscal year shows 12.5 percent growth in the *sugar* production, the second highest in the last six years. This is not only a strong reversal from the 2.4 percent decline during the same period of previous year, but is also significantly higher than the 3.0 percent annual growth target for FY07 (see **Figure 2.8**). This growth is largely due to the 22.9 percent rise in the sugarcane harvest during FY07 on the back of high sugarcane prices in previous season. The exceptional performance of *sugar* industry reduced the dependence on *sugar* imports, which fell to 315.0 thousand metric tons in Jul-Mar FY07, 58.8 percent lower than 764.6 thousand metric tons imported in the corresponding period of FY06. The robust growth in domestic production, together with falling international



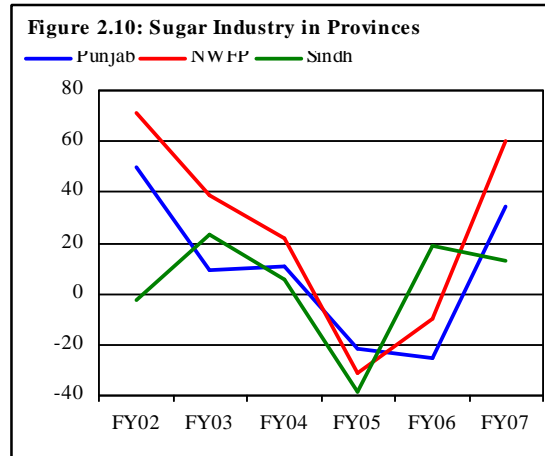
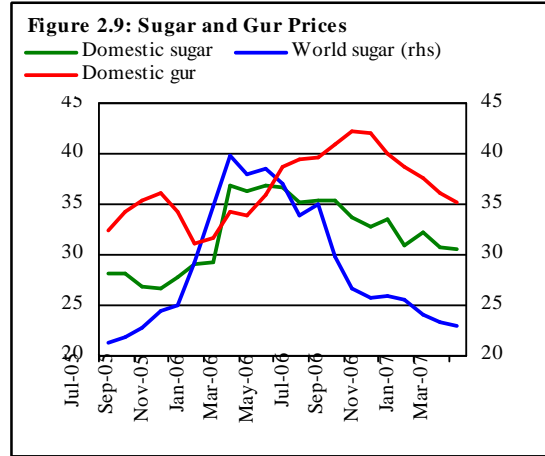
¹These associations/committees included All Pakistan Cement Manufacturers Association, Pakistan Automobile Manufacturing Association, , Oil Companies Advisory Committee, National Fertilizer Development Corporation, and Pakistan Sugar Mills Association

² Traditionally, large scale manufacturing (LSM) data of 100 items is compiled and made available for public by the Federal Bureau of Statistics on a monthly basis. The item-wise data on 100 items is not available beyond the first three months (Jul-sep) of the fiscal year. Hence it is very difficult to assess the overall LSM performance for July-March FY07.

prices as global production also increased led to a decline in domestic sugar prices (see **Figure 2.9**).

Figure 2.10 shows the performance of Punjab, Sindh and NWFP provinces³ regarding *sugar* production, better sugar recovery from sugarcane was recorded in two provinces (the Punjab and NWFP), while a slowdown was observed in Sindh during FY07. The recoveries in first two provinces are largely due to an acceleration in the production of sugarcane with 29.6 percent growth and 8.1 percent growth respectively and deceleration in latter is contributed by relatively lower growth in crop production.

The ratio of the sugarcane crushed to sugarcane production shows the cane utilization by the mills during the season. This ratio reflects the shifting of sugarcane from *sugar* production to *gur* processing. During the current season, this ratio increased by 1.7 percentage points as compared with a decline of 0.6 percentage points in the last crushing season (see **Figure 2.11**). Particularly, in Punjab (the share of Punjab in cane crushing is 64.8 percent), during FY07 sugarcane crushed and sugar cane production ratio, decline by 1.6 percentage points, which is mainly due to production of *gur* by farmers in un-organized sector. The rising trend of *gur* manufacturing is mainly attributed to relatively higher prices of *gur* in domestic

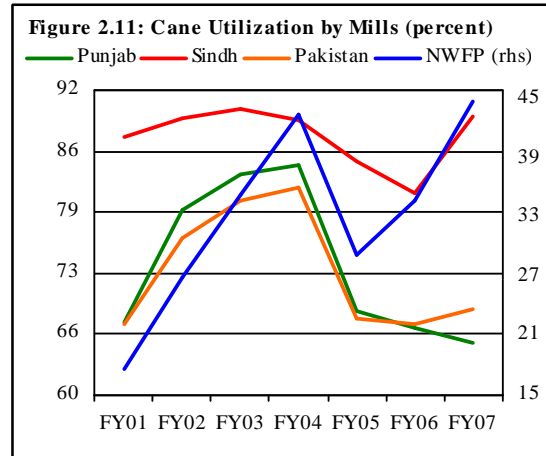


³ According to PSMA, the share of Balochistan is negligible in the production of sugarcane as well as in sugar industry

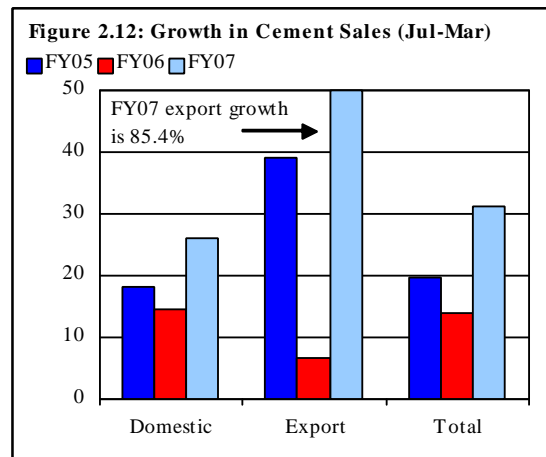
market, 32.7 percent rise in the exports of gur in Jul-Mar FY07 as against a fall of 16.7 percent during Jul-Mar FY06 and sugarcane price dispute between farmers and PSMA in current crushing season.

Cement

As in sugar industry, an acceleration was also observed in the *cement* production during the first nine months of FY07 with growth rising to 24.5 percent, significantly higher than this 18.6 percent seen in Jul-Mar FY06. The strong performance is mainly attributed to capacity expansions initiated⁴ during the last five years, a rise in local demand as well as strong external demand (see **Figure 2.12**). During the first nine months of the current fiscal year, the total sales of *cement* recorded a growth of 31.3 percent which is significantly higher than 13.9 percent growth seen in Jul-Mar FY06.



Local *cement* dispatches rose by 25.0 percent in the first nine months of FY07 compared with 13.4 percent growth in the same period of FY06. The rise in local demand mirrored the boosting activity in *construction* sector (see **Table 2.1**) on the back of mega projects as well as continued large development spending on building infrastructure in the country and considerable rise in FDI in the sector.



⁴ The installed capacity in cement industry is more than doubled during the last five years.

Table 2.1: Construction Performance Indicators (Jul-Mar)

	Unit	FY05	FY06	FY07
Development expenditures	billion Rs	138	204	149 ³
Private credit for construction (flow)	billion Rs	9	9	10
Foreign direct investment 1	million US\$	22	93	136
Production of steel	000 tons	2321	1188	1475 ⁴
Import of iron & steel 2	000 tons	2122	3216	1922
Import of construction & mining machinery	million Rs	6366	8254	8243
Domestic cement dispatches	000 tons	10641	12193	15380

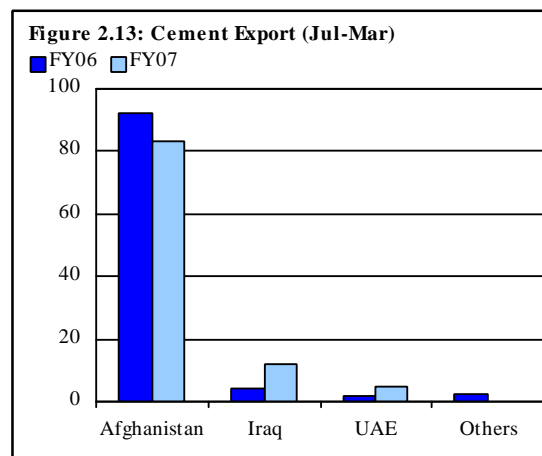
1 It includes the FDI in construction, cement, metal, basic metal and ceramics groups

2 It includes the import of iron & steel as well as iron & steel scrap

3 Data pertain to Jul-Dec FY07

4 Data for Jul-Feb FY07

The growth in exports was even stronger, reaching to 2.1 million tons during July-March FY07 against 1.2 million tons exported during the same period of FY06, an increase of 85.4 percent. Reconstruction activities in Afghanistan, Iraq and faster development work in UAE⁵ (see **Figure 2.13**) have given rise to strong *cement* demand, and exports also benefited from fiscal measures⁶ taken during FY07 are the main reasons for the rise in *cement* exports during the first nine months of FY07 (relative to the previous year). Export growth is expected to be sustained given the strong demand in India.



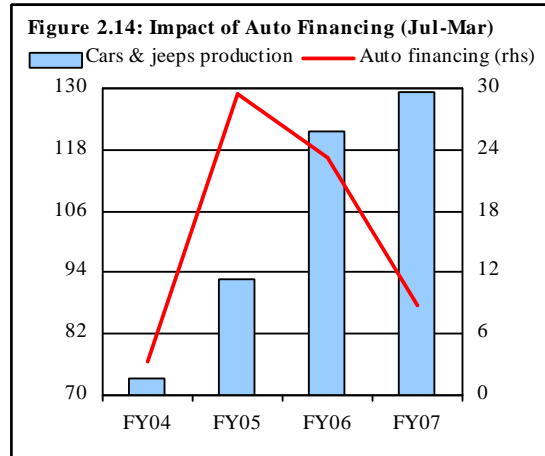
Automobile

As per data provided by Pakistan Automotive Manufacturers Association (PAMA), the *automobile* sector displayed 5.0 percent growth during the first nine

⁵ In the first eight months of the current fiscal year, the share of Afghanistan, Iraq and UAE in Pakistan cement export reached to 99.9 percent as compared with 97.6 percent during the same period of the last year.

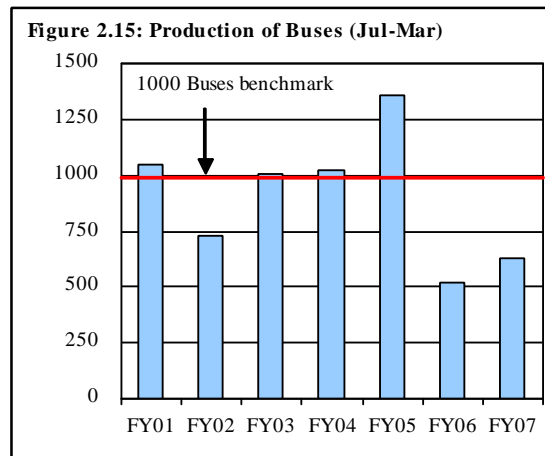
⁶ Restoration of *duty drawback* and exemptions from *FED & sales tax* on exported cement.

months of FY07, much lower than the 28.4 percent growth recorded during the corresponding period of FY06 (see **Figure 2.14**). The Jul-Mar FY07 growth in the production of *automobiles* is the lowest since FY03. This contributed by supply side as well as demand side factors. On the supply side, capacity constraints and failure to introduce new marketable models at affordable prices are the major factors.



Concurrently on the demand side an increased number of substitutes in the shape of imported vehicles, increasing interest rates on bank financing combined with risk management efforts by banks, delay in delivery as well as premiums on local vehicles are the major factors for weakening demand.

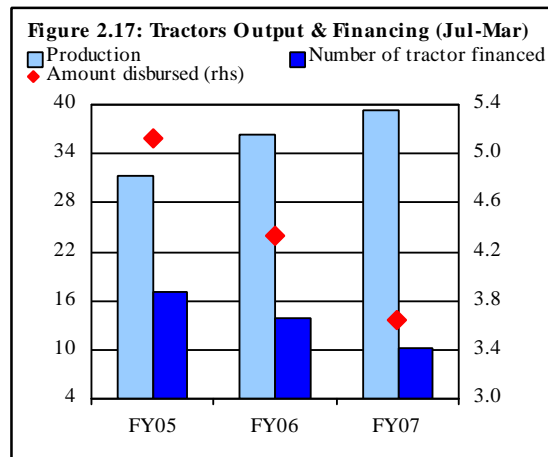
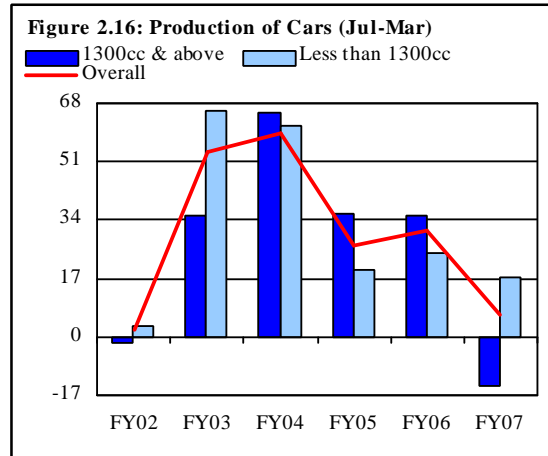
Within the *automobile* sector, the production of rose by 21.0 percent during the first nine months of the current fiscal year, in contrast to a fall of 61.8 percent in the same period of previous year. This recovery in production is due to increased demand by government institutions for urban transport schemes, Punjab police as well as private sector transporters. Since FY01, the production of *buses* have remained less than a thousand in Jul-Mar for three times (FY02, FY06 and FY07) which shown the weak base of *buses* sub-group (see **Figure 2.15**).



A slowdown was observed in the output of *cars & jeeps* with 6.4 percent growth in Jul-Mar FY07, which is not only lower than 31.0 percent growth seen in the corresponding period of the preceding year but also the lowest since FY03 (see **Figure 2.16**). Specially the production of big *cars* with

high capacity engine⁷ (1300cc and above) fell by 14.4 percent in Jul-Mar FY07 as against a 35.4 percent increase during the same period of last year. A smaller deceleration was seen in the production of low capacity engine cars (less than 1300cc engines) with production rising 17.2 percent in Jul-Mar FY07 as compared to 24.6 percent growing during the corresponding period of the previous year. Higher cost of auto financing, tough competition from imported cars, relatively higher prices of domestic assembled cars, reluctance of domestic assemblers to introduce new models are the main factors for the weak performance of this sub-sector of automobiles sector.

In the same way, a deceleration was also observed in the tractors production with 7.9 percent growth during the first nine months of the current fiscal years in contrast to the growth of 16.1 percent in the same period of FY06. Capacity constraints, lower availability of tractor financing and permission of the government to import tractors⁸ are major reasons for the lower production growth during Jul-Mar FY07. During the first nine months of

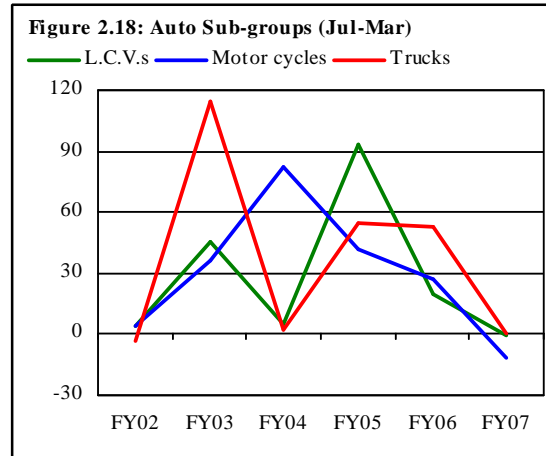


⁷ Amongst the big cars, Toyota Corolla and Suzuki Liana contributed positively with low pace in the growth of automobiles production in Jul-Mar FY07. While the output of all other assemblers declined during this period.

⁸ During Jul-Feb FY07, the value of tractor imports reached to US\$ 119.6 million, which is 35.6 percent higher than the same period of last year.

the current fiscal year, *tractor* financing declined in terms of number as well as in terms of amount disbursed (see **Figure 2.17**).

Amongst the automobile industry three sub-sectors (*LCVs*, *motorcycles* and *trucks*) recorded negative growth in Jul-Mar FY07 (see **Figure 2.18**). The *motorcycles* sub-sector having a small share of 3.5 percent in *automobiles* sector, registered a decrease of 43304 units in production (negative growth of 11.3 percent) during Jul-Mar FY07 as compared with an increase of 82315 units produced during the same period of FY06. Rising market share of non-members of PAMA⁹ (Chinese bikes assemblers) on the back of lower prices are the major factor for the lower recorded production of *motorcycles* during Jul-Mar FY07. Moreover, a decline in output of cotton and rice probably also made a negative impact on the sale of bikes in rural areas.



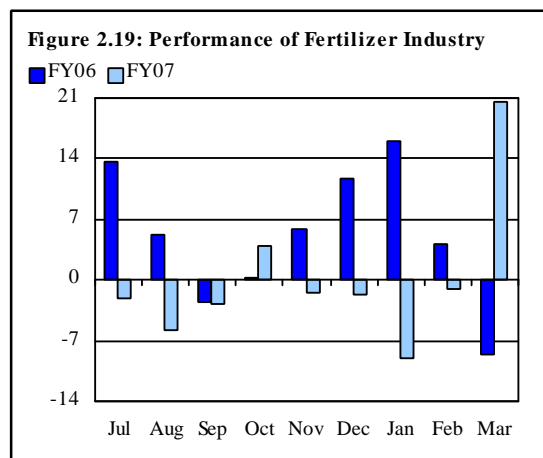
Another sub-group of automobiles sector, which registered a negative growth of 0.3 percent in Jul-Mar FY07, is *LCVs* (having 11 percent share in automobiles sector). This growth of Jul-Mar FY07 is not only lower than 19.3 percent growth in the corresponding period of the preceding year but also the lowest during the same periods in the last five years. The strong import of used *LCVs* is probably the main cause for the decline in the production of *LCVs* during this period.

Fertilizer

The *fertilizer* industry registered 0.3 percent fall in output during Jul-Mar FY07 as against a growth of 4.8 percent during Jul-Mar FY06 (see **Figure 2.19**). Temporary closure (for maintenance and up-gradation), slowdown in demand due

⁹ There are currently 43 Original Equipments Manufacturers (OEMs) in the motorcycles industry in Pakistan. Out of these, 6 OEMs are the members of Pakistan Automotive manufacturers Association (PAMA) and 37 OEMs who are not PAMA members. PAMA was formed in 1984, initially three motorcycles OEMs namely Atlas Honda, Dawood Yamaha and Suzuki Motorcycles Pakistan became the members of PAMA. In the 1990's, three more OEMs joined PAMA, these were Fateh Motors, Pakistan Cycle Industrial Cooperative Society Limited and Siagol Qingqi Motors Ltd (subsequently renamed Qingqi Motors Ltd.)

to untimely rains and a considerable rise in the prices, mix of the fertilizers and expectation of a subsidy announcement by the government are the major factors for decline in the production of *fertilizer* (particularly in the production of *non-urea* during Jul-Mar FY07). During the first nine months of the current fiscal year, the import of *fertilizer* also declined by 60.1 percent as against a 69.7 percent rise during the corresponding period of preceding year, which reflects the slowdown in demand of fertilizer during Jul-Mar FY07. Within the *fertilizer* group, the decline in the production of non-urea fertilizer was more prominent with 3.8 percent in the first nine months of FY07 as compared with 6.4 percent growth in Jul-Mar FY06, which may be due to the impact of the delay in the purchases of *fertilizer* by the farmers in anticipation of subsidy announcement during Jul-Oct FY07.



Petroleum Products

The fall in the production of *POL* products was also declined in the first nine months of the current fiscal year, falling by 5.7 percent as against an increase of 2.3 percent in the corresponding period of the preceding year (see **Table 2.2**). However, the sale of *petroleum* products rose by 17.6 percent during Jul-Mar FY07, indicating that the fall in production did not reflect any weakness in demand for

Table 2.2: Production of POL Products (Jul-Mar)

000 metric tons			
	FY05	FY06	FY07
Jet fuel	847.6	968.2	898.6
Kerosene	143.0	160.8	154.6
Motor spirits	1,013.4	902.8	909.2
High speed diesel	2,574.2	2,503.0	2,314.9
Light speed diesel (nos.)	135.7	94.9	108.0
Furnace oil	2,370.1	2,546.1	2,297.5
Lubricant oil	154.1	152.4	155.4
Jute batching oil	4.6	2.9	2.9
Solvent naphtha	547.3	660.5	678.8
Petroleum products (nos.)	502.4	494.0	478.7
Total POL	8,292.4	8,485.6	7,998.8

refined *POL* products. Contrary to the *crude oil*, the import of *petroleum* products recorded a growth of 57.5 percent in Jul-Mar FY07 in contrast with a decline of 5.2 percent during the same period of last year. Within *petroleum* products, the highest decline of 9.8 percent was recorded in furnace oil in Jul-Mar FY07 as

against 7.4 percent growth in the same period of the preceding year. As far as the sale of *furnace oil* is concerned, it reached to 5.3 million metric tons with 65.4 percent growth in Jul-Mar FY07. Similarly the sale of *light speed diesels* also increased by 19.3 percent in Jul-Mar FY07. The rising demand of electricity on the back of strength of economic activities and rising household demand may be the reasons for more demand for electricity in the economy and therefore, for furnace oil & diesel (used in the generation of thermal electricity). Similarly, the production as well as the sale of *jet fuel oil* recorded decline during the first nine months of current year mainly due to restriction on the country's national carrier PIA by the European Union on the back of international safety standard issues.