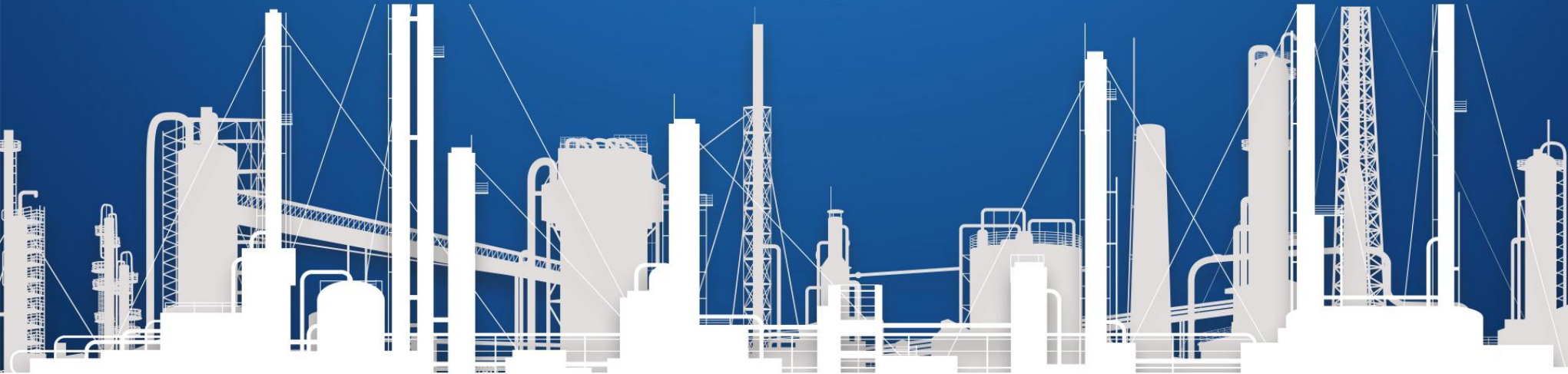
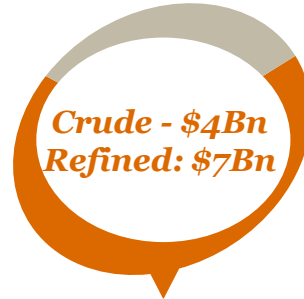
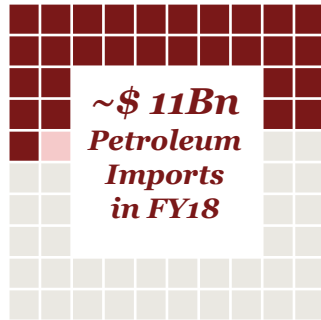


INTEGRATED REFINERY & PETROCHEMICAL COMPLEX

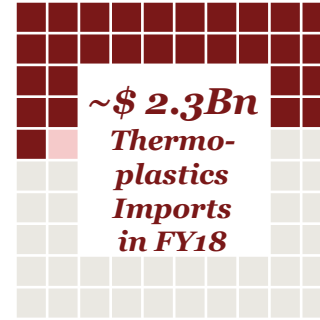
PAKISTAN ECONOMIC FORUM V



Why an integrated petroleum complex in Pakistan?

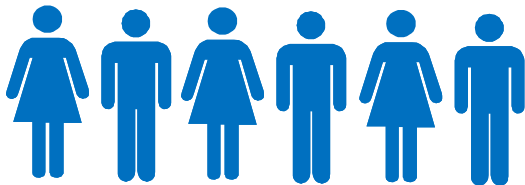


Focus needed to substitute refined imports to crude imports

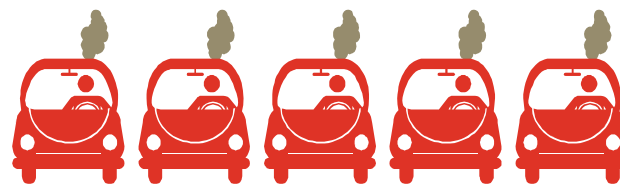


Lack of an integrated refinery

THE OPPORTUNITY TO MAKE AN IMPACT



Growing Population and emerging middle class

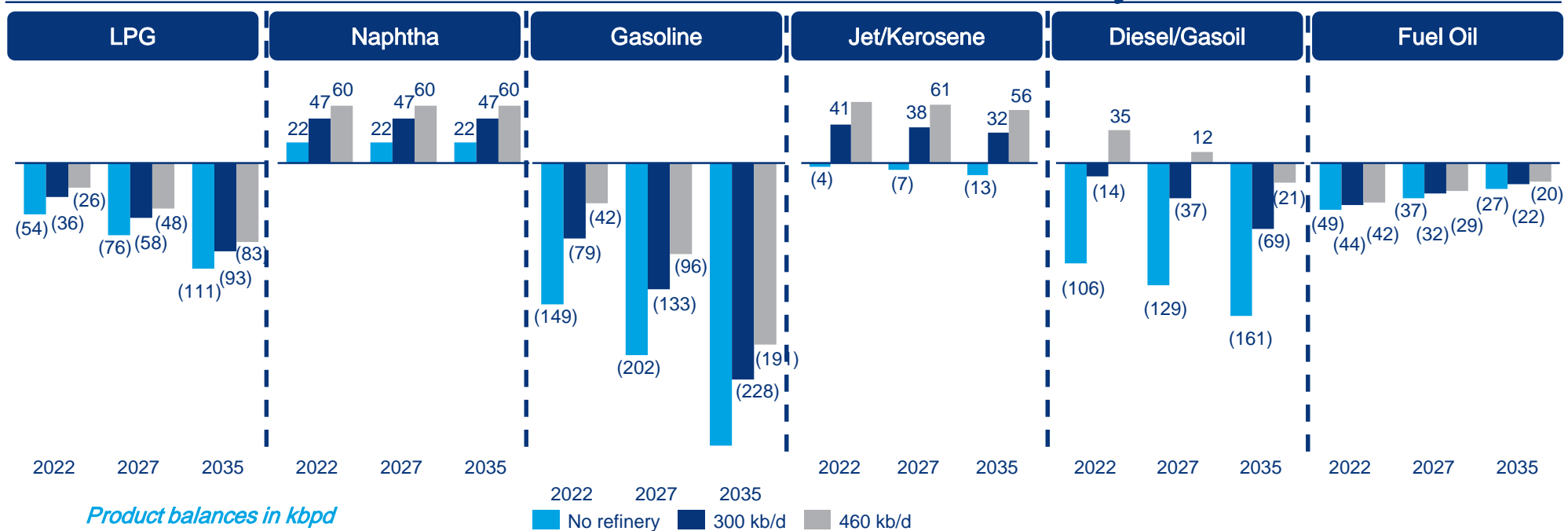


Booming automotive industry



Growing Economy

Growing deficit of oil products provide an opportunity for investment in a world scale refinery

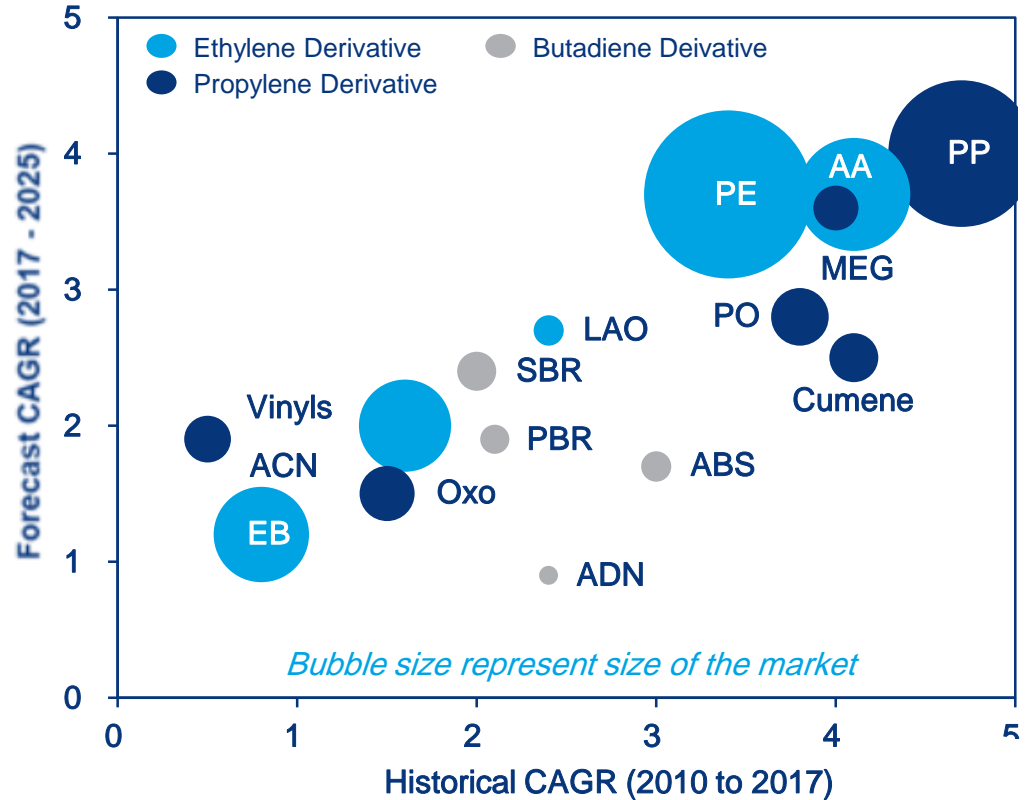


- Fuel oil consumption expected to go down due to change in the power generation fuel mix
- LPG demand is expected to continue growing, driven by RCA* sector
- Pakistan can make value added products with the excess Naphtha

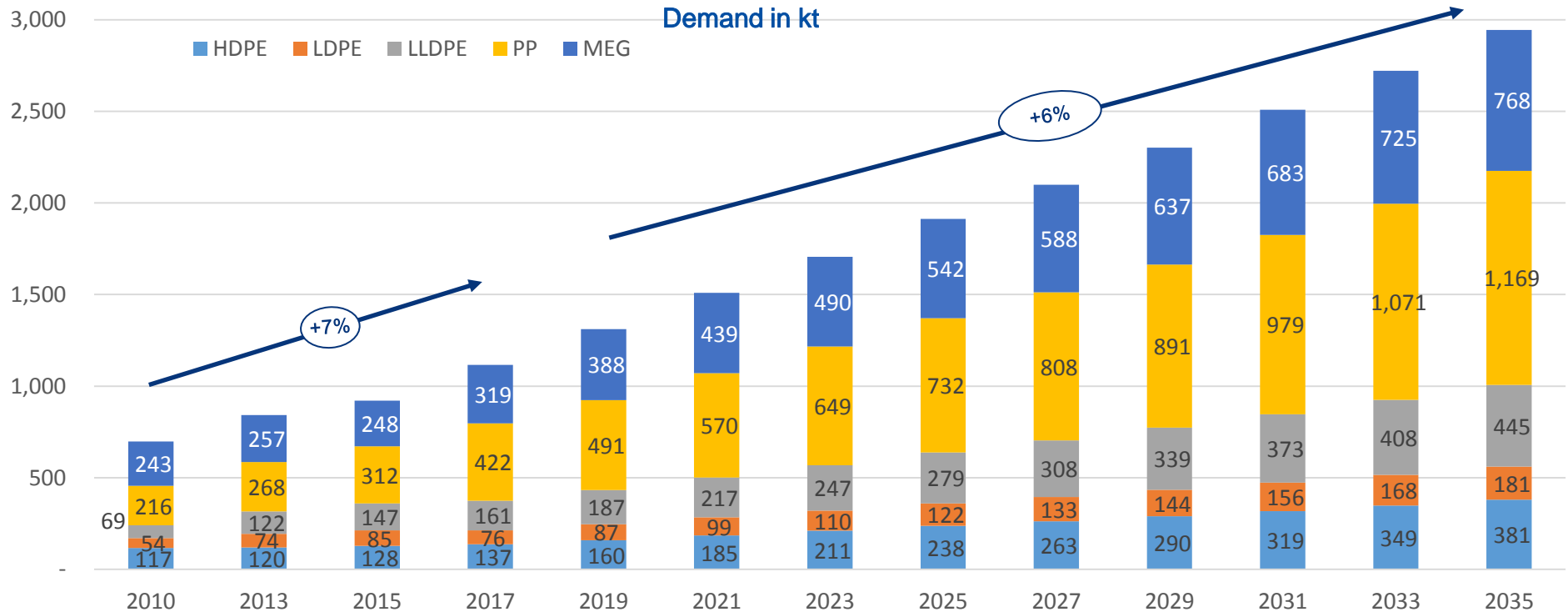
Sector-wise demand

Upside for olefins demand – Pakistan per capita plastic consumption of 7kgs vs Global average of 45kgs

Import Value in USD Mn	FY18
Polyethelyne	705
Polypropylene	615
Polyacetals	153
Polymers of vinyl chloride	77
Polymers of vinyl acetate	36
Others	725
Total Plastic Materials	2,311



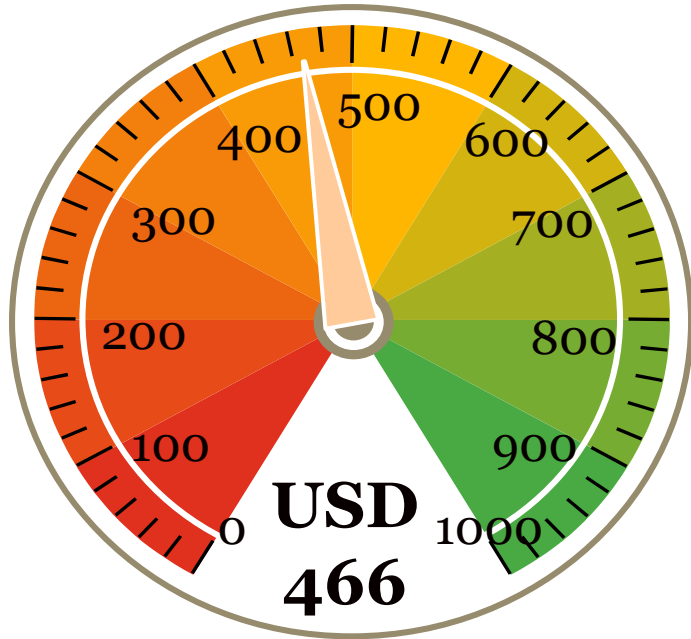
Pakistan Currently does not have a Petrochemical Complex - Opportunity to Set Up an Integrated Cracker to meet domestic needs



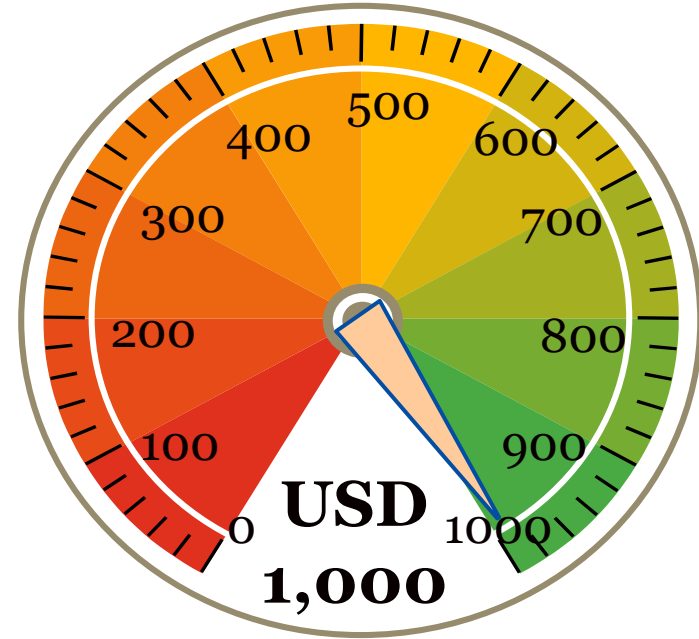
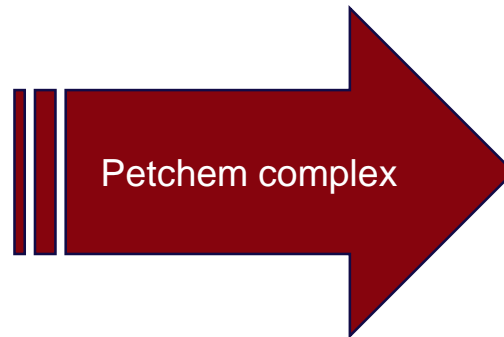
Pakistan's growing demand for Petrochemical derivatives supports the establishment of a cracker complex

A cracker will add value to excess Naphtha available in the country

According to Oil Companies Advisory Council (OCAC), Pakistan exported 470k Tons of Naphtha in 2017



Naphtha price per ton (WoodMac)



Olefins price per ton (WoodMac)

Import Bill savings through an integrated refinery



Support needed for an an integrated complex

1



3,000 acres coastal land with related infrastructure and pipeline support

2



Feedstock: Waive import duty on crude oil / Naphtha import
Refined Oil: Maintain the current import duty structure
Petchem Derivatives: Minimum 10% duty
Machinery: Waive import taxes on import of machinery

3



Deep Conversion Refinery: Maintain 20 year tax holiday
Petchem Complex: Allow 20 year tax holiday as provided for deep conversion refineries

4



Facilitate a consortium composing of a feedstock supplier(s) preferably Middle Eastern players and potential Chinese partner to leverage CPEC connectivity

Integrated Petroleum Complex – The Right Time

With huge reliance on imports to meet the growing petroleum demand in the country, this is the right time to set up a state-of-the-art integrated petroleum complex in Pakistan

The estimated investment for a suitable scale complex would be:

- Refinery: USD 6 – 7 BN
- Petrochemical Complex: USD 4.5 - 5 BN
- Integrated Complex: USD 10 – 12 BN

THANK YOU!

