

## Asda a subsidiary of Wal-Mart will increase its mango imports from Pakistan

Pakistan produces around 1.6m a tonne of mangoes per year, and harvesting typically starts in late May. Pakistan produces more than 150 different mango varieties, but only five, including Sindhri, Chaunsa and White Chaunsa are being exported.



Asda, the UK's second-largest grocery retailer by market share, is planning to increase its Pakistani mango imports this season in response to strong consumer demand. Dean Hayden, senior buyer at Asda, revealed that the Wal-Mart subsidiary expects to import 4,000 to 6,000 cartons per week throughout June 2013, with volumes picking up during Ramadan in July.

"Pakistani mangoes have proved very popular with our customers," he said. "We were the first major retailer to offer the highly-coveted fruit to shoppers in 2011, and we continue to work with a small group of growers who have GlobalGap certification, which complies with our food safety standards. We are also looking at the possibility of sourcing further products from the region in the future."

The news was welcomed by Pakistan's fruit and vegetable exporters association, whose chairman, Waheed Ahmed, wants to boost the value of Pakistan's mango exports to over US\$1bn by 2018 by accessing new markets and developing value-added lines. It is important to note that within the last three years the United States, Japan, Mauritius, South Korea and

Jordan have been buying mangoes and Pakistan is currently negotiating access to Australia, with shipments to begin this year.

South Korea is a very good market value-wise and volume-wise, and is very close by sea and by air, and Pakistan won access to export hot-water-treated mangoes to South Korea last year and also hopes to begin exports there for the first time this season.

Meanwhile, Pakistani mango exports to Japan are rising by 15% year-on-year, and plans are afoot to further develop this market.

"We are building a Vapour Heat Treatment (VHT) facility in Karachi to treat mangoes destined for Japan, the facility could open this year," said Ahmed, adding that another VHT plant for the Japanese market is scheduled to be built next year in Multan, Punjab.

Pakistani exporters still face two major challenges for shipping mangoes to the US. Firstly, there is only one approved irradiation facility near Chicago, and secondly there is no direct flight from Pakistan to Chicago. In this context, Pakistan is in discussions with the US government to certify an irradiation plant in Karachi as well as in another US city. ♦

## Engro Corporation reports record profits for the first quarter

The Engro Corporation announced first quarter 2013 profit-after-tax at Rs 1.86bn (EPS Rs3.50) against the loss of Rs 649m (indicating Rs1.3 loss per share) in corresponding quarter 2012.

Engro Corporation's overall revenues grew by 36% to Rs 31.3bn, whereas cost of sales was increased by 23%. Thus resulting in posting healthier gross margins at 29%.

A company press release stated that Engro's fertiliser business continued to experience 86% gas curtailment on the SNGPL network. However, the company's production during the quarter rose mainly due to incremental efficiencies by diverting Mari gas to the 'Enven' plant. Higher production along with lower availability of competitive imported urea increased Engro Fertiliser's urea sales to 298KT in the first quarter of 2013 from 77KT in the first quarter of 2012 and improved its market share to 23% in first quarter of 2013 from 8pc in 2012.

Resultantly, Engro Fertiliser reported net profit of Rs 646m during the period ended March 31, 2013 versus a loss of Rs 1,420 m in 2012.

Despite stable revenues, Engro Foods' profitability was higher than first quarter of 2012 by 34% due to lower costs of sales. The business closed the quarter with a profit of Rs653m against a profit of Rs 486 m in 2012.

The company's investments in the Halal Foods business in Canada, Al Safa, achieved sales revenue of Canadian dollars 2.2m during first quarter of 2013 as compared to Canadian dollars 2.5m in 2012.

