

Biscuit industry is highly competitive in Pakistan

by Prof. Dr. Noor Ahmed Memon.

Biscuits are not so much a sweet treat additionally a wholesome nibble, as purchasers comprehend the profits of healthier snacks and great substitutes to sweet treats, for example, sugar and chocolate confectionery. Biscuits accomplished climbing acknowledgement as a nibble as well as a smaller than expected feast and amongst urban purchasers, as well as amongst provincial shoppers, due to a change in lifestyle, upheld by expanding reasonableness.

Health benefits of biscuits depend largely on the kind of ingredients used to make them and quality of these ingredients. Some digestive biscuits made from

Table 1: Exports of Biscuits and Wafers
Quantity: Tonnes
Value: Rs. Million

Year	Sweet Biscuits		Wafers	
	Quantity	Value	Quantity	Value
2012-13	10,970	2,917	11	2
2013-14	11,572	2,886	99	20
2014-15	10,082	2,036	155	28
2015-16	7,882	1,626	42	9
2016-17	6,520	1,478	25	4

Source: Pakistan Bureau of Statistics.

whole wheat or multigrain crackers do provide high doses of dietary fibre, which

aid in digestion and better bowel movement. Certain biscuits such as ginger snap cookies may help alleviate nausea. Glucose biscuits or other fortified biscuits may help address deficiencies in children and adults. Other diet biscuits when consumed as part of a weight loss plan may help individuals overcome hunger pangs between meals, while providing health benefits such as dietary fibre, essential vitamins, and minerals and whole grain benefits.

In Pakistan there are host of local companies and Multinational Biscuits Manufacturers in different cities of Pakistan. Some well-known Biscuits manufacturers such as; English Biscuits Manufacturers (EBM) with its famous brand like Peak Freans Sooper Biscuits, Gluco Biscuits For Children, Marie Biscuits, Peanut Plus Biscuits, Party Biscuits, Farm House Biscuits, Saltish Biscuits, Click Biscuits, and another big is Continental Biscuits Ltd. (CBL), with its famous brand like LU, TUC Biscuits,

Table 2: Exports of Biscuits from Pakistan
Quantity: Tonnes
Value: Rs. Million

Country	2016-17		2015-16	
	Quantity	Value	Quantity	Value
Afghanistan	3,127	651	4,201	781
Australia	101	26	94	24
Brunei	160	39	183	45
Hong Kong	22	5	20	6
Iraq	156	46	86	39
Mauritius	461	126	310	71
Saudi Arabia	283	79	441	112
Somalia	205	47	256	59
South Africa	135	26	284	54
USA	265	68	320	80
UAE	678	139	691	136
UK	144	32	147	35
All others	783	194	849	184
Total	6,520	1,478	7,882	1,626

Source: Pakistan Bureau of Statistics.

Bakeri Biscuits, Candy Biscuits, Tiger Biscuits, Prince Biscuits, Oreo Biscuits, Zeera Plus Biscuits, 50 50 Biscuits, Gala Biscuits, Wheatable Biscuits, and some other manufacturers of Biscuits in Pakistan are; Wafer Biscuits Pakistan, International Biscuits Limited, United King Food Pakistan, British Biscuits Company (Pvt.) Ltd., Asian Food Industries Ltd.

There are many mushroom industries sprouting in various areas of Pakistan, producing counterfeit brands with low quality ingredients, which are highly hazardous for consumers' health, besides being a revenue loss for the government.

The largest segment in the confectionery business comprises plain biscuits category, with a total of over 50% share in volume, followed by cream and chocolate chips biscuits, followed by wafers. According to a Gilani Research Foundation Survey carried out by Gallup Pakistan, 62% Pakistanis consume packaged biscuits while 31% consume open bakery biscuits.

Despite challenges of energy sector and counterfeiting, Pakistan's biscuit



industry has grown significantly as local manufacturers earned sales revenue of more than Rs 45 billion in the last financial year with the introduction of a number of new brands and tastes.

Handsome growth in sales revenue is a result of continuous investment in its infrastructure, such as establishment of new production plants, emphasis on

research and development, improvement in distribution channels and marketing activities to ensure that efficiencies are maintained at all levels of the value chain.

Industry sources said that biscuit industry is highly competitive with nearly 10 local players and three international players along with a holistic circle of many other manufacturers of snacks equally fighting for a consumer's share of stomach in the ready-to-eat snacks category. However, despite challenges the biscuits industry showed a tremendous expansion in the past 10 years in contrast with different sectors which felt the pain of loss in tough economic times in the country.

Exports: Overall exports of biscuits and wafers have witnessed a steady growth. In 2012-13, biscuits exports were 10,981 tonnes valued at Rs2.92 billion which decreased to 6,544 tonnes valued at Rs1.48 billion in 2016-17, due to com-

Table 3: Imports of Biscuits and Wafers into Pakistan
Quantity: Tonnes
Value: Rs. Million

Year	Sweet Biscuits		Wafers	
	Quantity	Value	Quantity	Value
2012-13	146	27	5,43	97
2013-14	495	738	647	109
2014-15	396	95	644	137
2015-16	492	154	730	165
2016-17	394	134	1,064	250

Source: Pakistan Bureau of Statistics.



petition in the world market. Exports trend of biscuits and wafers from Pakistan are given in **Table-1**.

The country has so far exported 6,520 tonnes of biscuits valued Rs1.48 billion in 2016-17. Major markets are to Afghanistan, Mauritius, Saudi Arabia and UAE. Afghanistan is the largest importer with market while Mauritius is second and Saudi Arabia third largest importers. Country-wise exports of biscuits from Pakistan are given in **Table-2**.

Imports: The consumer taste palette is continuously changing in Pakistan. Not only consumers have become more mature in their preferences they are also exposed to both local and international tastes. In the current scenario, with a highly competitive market, various Pakistani biscuits have remained the top selling brands in every biscuit category. Imported products are quite expensive in Pakistan and the prices are usually 50%-100% more costly if compared on a per gram basis with locally-produced biscuits.

The distribution of imported biscuits and wafers are very small and limited to just high-end outlets and supermarkets in Pakistan and only a small percentage of the population is willing to pay a premium for these products.

However, Pakistan imported various types of biscuits and wafers have increased from 557 tonnes valued at Rs124 million in 2012-13 to 1,458 tonnes valued at Rs264 million in 2016-17. Imports trend of biscuits and wafers into Pakistan are given in **Table-3**.

Table 4: Imports of Wafers into Pakistan

Quantity: Tonnes
Value: Rs. Million

Country	2016-17		2015-16	
	Quantity	Value	Quantity	Value
UAE	485	2,118	318	76
Bulgaria	271	39	54	12
Italy	156	37	137	26
Indonesia	96	21	52	13
Thailand	29	6	14	3
Germany	13	3	6	2
All others	14	1,974	149	33
Total	1,064	250	730	165

Source: Pakistan Bureau of Statistics.

Pakistan imported biscuits and wafers from India, SriLanka, USA, UAE, Malaysia and Thailand. Country-wise imports of wafers into Pakistan are given in **Table-4**.

Challenges

The Pakistani market is quite price sensitive which means if an increase is made from Re1 to Rs2 it may mean volumes decrease to one third although the increase may be just Re1. This has resulted in squeezed margins and emphasis on price points as all manufacturers try to make the products available at lower price points since these are accessible to a larger part of the population.

Secondly, the country has an active un-organised sector which always responds if any player increases prices. As a result, Pakistan is one of the most competitive markets in the world with regards to biscuits and wafers. Hundreds of

smaller players in the biscuit, snacks and confectionery market compete at the lowest price points which target low income areas or in small urban or rural cities.

The industry has grown rapidly over the last decade with numerous household brand names emerging on the scene and gaining success. However, challenges for future growth and new entrants are increasing prices of raw material, high dependency on advertising and brand creation, excise and import duties on raw materials.

References

1. Ministry of Food Security and Research, Government of Pakistan.
2. Pakistan Bureau of Statistics.
3. Trade Development Authority of Pakistan. ◆

