

1 Strictly as per the compliance and regulations of

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5

6 **Abstract**

7 The purpose of this study is to see how much fertilizer sector is contributing in the economy of
8 Pakistan, here we see some particulars performance i.e. sale, assets, equity, paid up capital,
9 cash dividend, stock dividend etc. we have taken the data from 2001 to 2010 and run
10 regression analysis and generate different results which we will discuss later. if only the
11 government policies, technology improve then the sector could give its total output, which
12 thus contribute to the economy of the Pakistan which will be benefited for all of us.

13

14 **Index terms**— fertilizer, organic and Capital.

15 **1 INTRODUCTION**

16 Fertilizers in Pakistan are playing an important role in the economy of Pakistan. They are contributing from 30
17 to 60 percent in different crop production regions of the country. If we talk about the consumption pattern then
18 Pakistan stand at the no in the world, but if we see the growth of the sector then we come to know that the
19 sector is not improving so much.

20 There are basically two main types of fertilizers ? Organic ? Inorganic Fertilizers are used to improve the
21 quality as well as quantity of food, growth, production of the crop. Domestic production is marketed mainly by
22 producers themselves, while imports are marketed most fertilizers are labeled garden fertilizer, lawn fertilizer,
23 flower fertilizer, etc. time is best hope to improve per hectare yield if irrigation water and certified seeds are
24 provided according to need and weather conditions are favorable so in Pakistan fertilizer sector is like a back
25 bone of economy.

26 **2 II.**

27 **3 LITERATURE REVIEW OF FERTILIZER SECTOR**

28 Organic fertilizers are bone meal, fishmeal, blood; etc. Inorganic manure is Nitrogen, potassium or any other
29 chemical necessary in the need of plant growth.

30 **4 Fertilizer Sectors Pulls the Strings at Bourse**

31 Since 2001 To 2010

32 (ECONOMIC SURVEY REPORT 1999).

33 (The GM Finance, Fauji Fertilizer Company Ltd., Liaquat JavedMian), said that the fertilizers are meeting the
34 company requirements up to mark but if we see the consumptions pattern according to the world and Pakistan
35 production then it is so much low, this point is according to the export point of view.

36 (The Manager Marketing Services, Engro Chemical Pakistan Ltd)according to him the fertilizers are important
37 part of the feed and other components, and the production of the fertilizers is up to mark but they should improve
38 the production to meet the universal requirements. Our country's food requirement was 17 million tons in the
39 year 2000, which would reach to 25 million tones till 2020.

40 (Zaffar A. Khan, President Engro Chemical), spoke on "Certain perceptions about the fertilizer industry".

41 According to him the fertilizers are not sincere with the environment this is because they are charging high

9 CONCLUSION

42 prices, low quality and thus not satisfying the customers. So if we want to flourish the sector then we should
43 implement the strict policies so that their sincerity could be true.

44 (Dr. Binyamin Khalid, the Technical Services Advisor, Engro Chemical Pakistan Ltd). Said the use of fertilizer
45 is not poisonous. It has helped a lot to the economic development of the country and help Pak. He said that the
46 use of fertilizer has increased the production from 8 mounds to 29 mounts per acre from last few years

47 The imports of fertilizer registered a negative grant of 25.5% amounting US\$167.6 million as compared to
48 US\$265.1 million in financial year 1999. The private sector should be encouraged to flourish, appropriate steps
49 should be taken for privatizing fertilizer factories, maximum incentives for fertilizer factories should be provided
50 and efficient, experienced and trained persons should be encouraged and they may be provided with direct and
51 indirect fringe benefits.

5 METHODOLOGY

52 In this study one way ANOVAs test as well as others test are used, it is used to comparing the means from 2001
53 to 2010. multiple as well as regression model is used to known that the differentiate between variables which may
54 be dependent or independent. Like sales paid of capital and others describe graphs also explain the fertilizers
55 sectors ups and down in economy in ten years like area and line chart. We have also find out standard deviation
56 mean and then coefficient of variance per year.etc.

57 First we will see how the different particulars are changing with the passage of time, so we will discuss the graphs
58 first.

6 Graphs:

59 As from the table we see that the equity is more in 2003 and 2006 as compare to others years in others it remain
60 almost constant. This graph shows that paid of capital is increasing slightly from first and then decline and start
61 growing up while equity keep on growing year by year., paid of capital and equity have almost the same effect.

62 This chart tell us that in 2001 total assets of fertilizers sectors were small but in 2010 it was much high sales also
63 to some extent increase randomly while profit after tax was keep on decreasing equity was almost the same slowly
64 increased. Now here we will show you the standard deviation, mean, variance and covariance of the different
65 particulars. Sales shows variable effect as its minimum CV was 50.3 so this means that it is rapidly increase
66 then decrease as well. Paid of capital and equity remain almost increasing per year, mean of profit before tax
67 is showing variation. In the year 2008 its sales were not even to the break point so it was consider as zero.
68 Explanation power of the model: If we see the explanation power of the model then we come to know that the
69 model explanation power is almost "99%" which depicts that all the variables are explaining the model very well
70 and also the data is real time data.

7 Hypothesis: H₀ :

71 The model is not significant H₁ :

72 The model is significant Here we will see the significance value then we come to know that which particular
73 we should include and which should not.

74 Here we see that the sales, PBT, Paid up capital and cash dividend significance is lower than the 5% so we
75 concluded that these particulars should be included in the model and should reject all the other particulars which
76 have higher significance value i.e. equity, assets, financial charges, tax stock dividend will not be included in the
77 model.

8 IV.

9 Conclusion

78 From the above results we concluded that the fertilizer industry is growing with some normal pace in our
79 country, this is because of the government policies, less latest technology, not operating their operations very
80 well. Profitability is contributing less to the economy; the production is up to the mark but should be improved
81 also the inefficiency of the management impacts on the prices of the fertilizers which at the end effects the
82 consumers.

83 But if we see the opportunities then we realize that if only the government policies, technology improve then the
84 sector could give its total output, which thus contribute to the economy of the Pakistan which will be benefited
85 for all of us. ^{1 2}

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² MarchFertilizer Sectors Pulls The Strings At Bourse Since 2001 To 2010

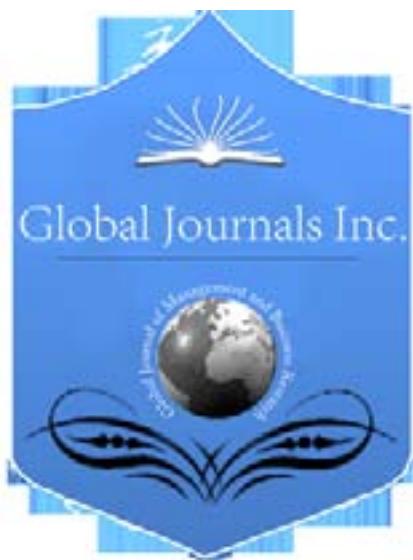


Figure 1:



Figure 2:

91 [Dr] *Binyamin Khalid, the Technical Services Advisor, Engro Chemical Pakistan Ltd, Dr .*

92 [Dr ()] *Binyamin Khalid, the Technical Services Advisor, Engro Chemical Pakistan Ltd 6. (ECONOMIC*
93 *SURVEY REPORT, Dr . 1999.*

94 [GM Finance, Fauji Fertilizer Company Ltd., LiaquatJavedMian] *GM Finance, Fauji Fertilizer Company Ltd.,*
95 *LiaquatJavedMian,*

96 [Zaffar and Khan] *President Engro Chemical, A Zaffar , Khan .*

97 [Profit Before Tax ()] *Profit Before Tax, 51524.508 25949.2356 50.3628. 2009.*

98 [The Manager Marketing Services, Engro Chemical Pakistan Ltd] *The Manager Marketing Services, Engro*
99 *Chemical Pakistan Ltd,*