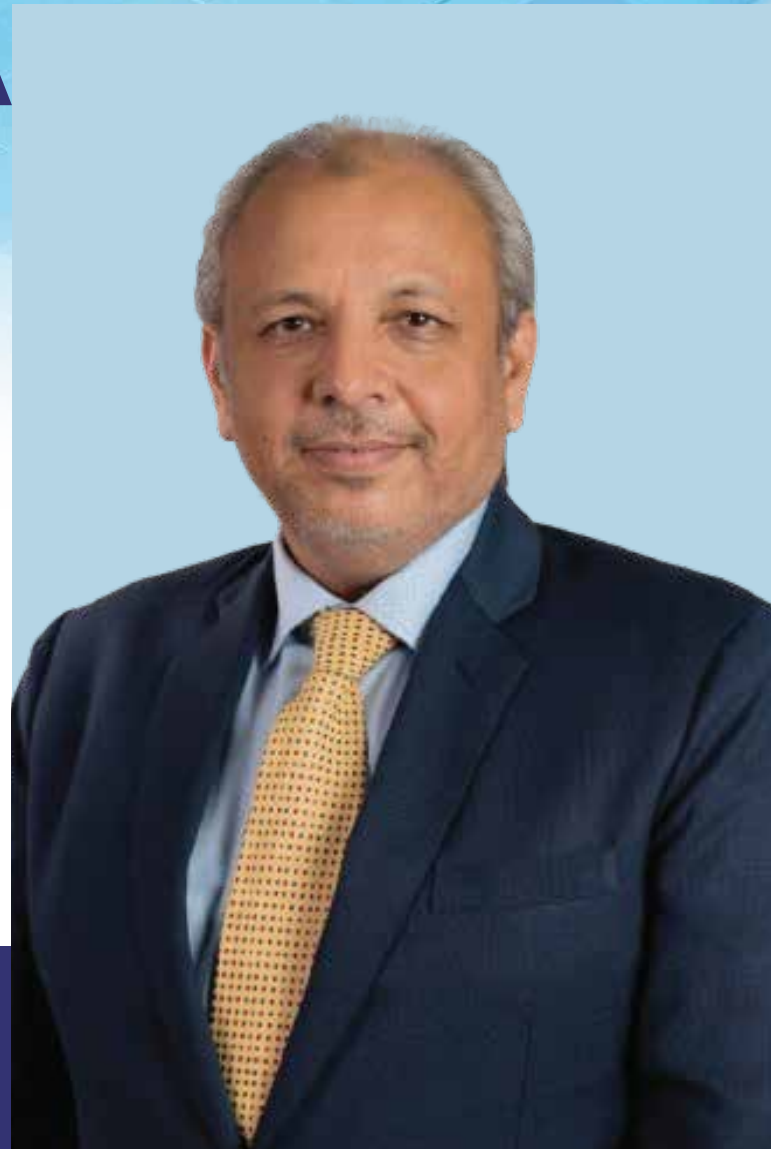


EXCLUSIVE INTERVIEW



“Smarter procurement can help OMCs and refineries manage fuel price volatility through better demand forecasting, inventory planning, diversified sourcing, and timely purchasing decisions. Digital transformation, AI and better data can make procurement decisions faster and better informed, while sustainable procurement can align commercial viability with Pakistan’s long-term climate and energy goals, strengthening supply-chain resilience.”

Mr. Nawed Tanwir Abbasi
Chairman
Oil Companies Advisory Council (OCAC)



ICMA: With Pakistan’s daily fuel price adjustments transmitting volatility into supply chains, what role can smarter procurement systems play in stabilizing operations while still reflecting market realities?

Nawed Tanwir Abbasi: Smarter procurement can help OMCs and refineries manage fuel price volatility through better demand forecasting, inventory planning, diversified sourcing, and timely purchasing decisions. However, procurement efficiency alone cannot offset the challenges of regulated pricing, OMC margins, rising operating and financing costs.

A gradual move towards deregulation would provide greater flexibility to respond to market realities, strengthen competition, and support supply-chain resilience. This, alongside continued improvements in port efficiency and efforts to curb illicit product inflows, would further strengthen supply-chain resilience and support fair competition.

ICMA: The energy sector is highly exposed to geopolitical shocks. What procurement strategies should Pakistan adopt to build resilience against sudden disruptions in global oil supply routes?

Nawed Tanwir Abbasi: Pakistan can strengthen energy security through diversified oil suppliers and shipping routes, adequate stocks, and stronger storage infrastructure. While geopolitical shocks cannot always be prevented, timely contingency planning can strengthen resilience.

Regular stress-testing of oil supply chains can help identify alternative sources, routes, costs and stock requirements ahead of potential disruption. Strengthening domestic refining capacity can further reduce reliance on finished imported products.

The Government’s initiation of the Strategic Petroleum Reserve (SPR) feasibility study, with Wood Mackenzie appointed in August 2026, is a constructive step. The focus can now be on translating the study into a practical plan and timely implementation.

ICMA: In your opinion, how can procurement systems integrate sustainability goals—such as reducing carbon footprints and supporting climate levies—without undermining efficiency or affordability?

Nawed Tanwir Abbasi: Sustainability must be integrated into procurement without compromising affordability or operational efficiency. This requires looking beyond upfront costs to consider lifecycle costs, carbon footprints, and suppliers' environmental performance. Integrating these criteria into vendor selection and procurement decisions can deliver long-term environmental and commercial value.

Pakistan's evolving Green Taxonomy, ESG disclosure framework, and phased adoption of IFRS S1 and IFRS S2 also provide an opportunity to align procurement with measurable sustainability objectives. Climate levies should likewise translate into tangible, measurable environmental benefits.

Across the oil industry, companies are increasingly embedding sustainability into operational decision-making, with teams driving energy conservation, water stewardship, waste valorization, and biodiversity initiatives.

Transforming plastic waste into eco-friendly, usable materials for road infrastructure, construction, and other applications demonstrates the industry's commitment to circular-economy practices. Progress in solarization and EV charging infrastructure further reflects efforts to conserve energy and support the transition to cleaner mobility.

Public-private partnerships and employee-led environmental and community initiatives are becoming integral to corporate sustainability strategies, helping reduce operational footprints and promote environmental stewardship. Several companies are also expanding their plantation initiatives while promoting community engagement and youth inclusion. These efforts contribute to biodiversity conservation, strengthening climate resilience, and creating natural carbon sinks.

The refinery sector's planned upgradation under the amended Refinery Policy is another important step. These upgrades are expected to enable Euro-V-compliant fuel production and an improved product mix, supporting Pakistan's environmental objectives and domestic refining capability.

While OMC margins remain a challenge across the industry, companies continue to pursue solarization, energy efficiency, greater pipeline utilization, and EV charging infrastructure. These efforts demonstrate how the sector continues to foster innovation, strengthen sustainable business models, and deliver energy responsibly despite financial constraints.

Ultimately, sustainable procurement is about making environmentally responsible choices that are commercially viable, measurable, and aligned with Pakistan's long-term climate and energy goals.

ICMA: Digital transformation often requires cultural change within organizations. What challenges do you foresee in shifting procurement mindsets from transactional to strategic, and how can OCAC guide this transition?

Nawed Tanwir Abbasi: Digital transformation in procurement is an opportunity to build on established practices by integrating increasingly sophisticated digital tools into existing systems and decision-making processes. Bringing multiple data points together in a timely and reliable manner is key, alongside equipping staff with the skills to use advanced analytics and AI effectively.

OCAC is supporting the industry and Government by bringing stakeholders together, providing industry data and analysis, identifying operational and regulatory bottlenecks, and facilitating dialogue on issues affecting the petroleum supply chain. OCAC also advocates the adoption of AI and digital tools and promotes training and capacity-building for industry professionals. The objective is to use technology, AI and better data to make procurement decisions faster, better informed and more responsive to market conditions.

ICMA: What role do you see for public-private partnerships in building smarter procurement systems, and how can OCAC act as a catalyst for aligning industry priorities with national economic goals?

Nawed Tanwir Abbasi: Public-private partnerships can play an important role where procurement and supply-chain infrastructure require significant investment that neither the Government nor individual companies can efficiently undertake alone. In the petroleum sector, this could include strategic storage, port efficiency and pipelines. The Government can provide the policy and regulatory framework, while the private sector can bring investment, operational expertise and technology.

As an industry think tank, OCAC can provide data and analysis to help assess the commercial viability of such initiatives while supporting national objectives such as energy security, import efficiency and uninterrupted fuel supply. This can help Government and industry jointly identify and implement solutions that serve both commercial and national interests.

The Editorial Board thanks Mr. Nawed Tanwir Abbasi, Chairman, Oil Companies Advisory Council (OCAC), for sparing his precious time to give an exclusive interview for Chartered Management Accountant Journal.