

Tracking Service Providers

Sector Review



June 2018

Tracking Services

Industry Structure

Industry Players

Demand Driver |
Automobile

Opportunities
and Challenges

About the services

Services defined

These companies provide total visibility and control of mobile assets, using technology of Global Positions system (GPS), Global System for mobile communication (GSM), General Packet Radio Service (GPRS), and satellite communication.

Service Type

The services offered can be generally categorised into

1. **Asset Tracking Solutions**
 - i. Vehicle Tracking solutions
 - ii. Fleet management solutions
 - iii. Personal Tracking
 - iv. Power Generators monitoring,
 - v. Dashboard monitoring system | M.I.S etc
2. **Container Tracking Solutions:** *cargo tracking requirements of commercial and military transporters; tracking and in transit visibility, protection against intrusion or pilferage, and other services.*

Technology License

License Issued by Pakistan Telecommunication Authority, Government of Pakistan

- **Class Value Added Services License Services (CVAS)**, regulated under Class Value Added Services Licensing and Registration Regulations, 2007
- **License Type: Data CVAS** – non-voice data communication
- Services allowed: Vehicle Tracking Services (VTS)
- Other data services (non-voice telecommunication), in addition to VTS, can be allowed by PTA under the same license;

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How Tracking Devices Work



Types of Tracking Devices

◆ Personal Tracking



◆ Vehicle Tracking



◆ Fleet Tracking



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Many VTS licenses have been obtained by corporates and logistic companies to meet internal requirements and does not offer services for commercial use. **The industry is Fragmented.**

From 2006 till 2018, VTS licenses of 495 companies were terminated on the back of continuous losses and failure to maintain competitive technology infrastructure.

Total CVAS (Data) licensees	622
Active VTS licensees	162
Tracking Company listed on PSX	1

Demand of tracking services is driven by

- **Automobile sector;** growth picking up
- **Private Cab Schemes;** growing
- Corporate needs for fleet management: rising trend of outsourcing to tracking companies because of value added services offered by tracking companies
- Disposal income of masses with cellular penetration; improving
- General Law and order situation of the country; though improved YoY, remained a concern which triggers demand for tracking services. Government departments requirements are increasing

Supply is dependent upon:

- **Technology Infrastructure:** Continuous upgradation of technology is the life blood for the industry players survival.
- All industry players import tracking devices; vendors provide application and software. All devices are imported.



Prominent Industry Players – Profile



TPL Trakker Limited – only listed company in Pakistan

- Vehicle tracking and fleet management solutions, portfolio management, container tracking solutions, navigation, Personal Tracking
- Tracking Equipment sold constitutes approx. 9% of total cars sold in Pakistan



United Track Systems (Pvt) Limited – emerging player

- Member company of United International Group.
- Products: Vehicle tracking and fleet management solutions, Personal Tracking, etc.
- Tracking Equipment sold constitutes approx. 5% of total cars sold in Pakistan



Tracking World (Pvt) Limited

- Joint venture of Webtec Wireless Inc. Canada – operates in 40 countries including UK, USA, America, Europe, central America, UAE, KSA, and Canada.
- Products: Vehicle tracking and fleet management solutions, In-dash navigation, Biometrics, car Accessories, etc



Falcon-i (Pvt) Limited

- Vehicle tracking solutions, and fleet management solutions



City Track (Pvt) Limited

- Sponsors other projects include "International Tours" , City radio Cab", "City Linkers Bus Service", and "Yellow cab Service"
- Vehicle tracking solutions, and fleet management solutions

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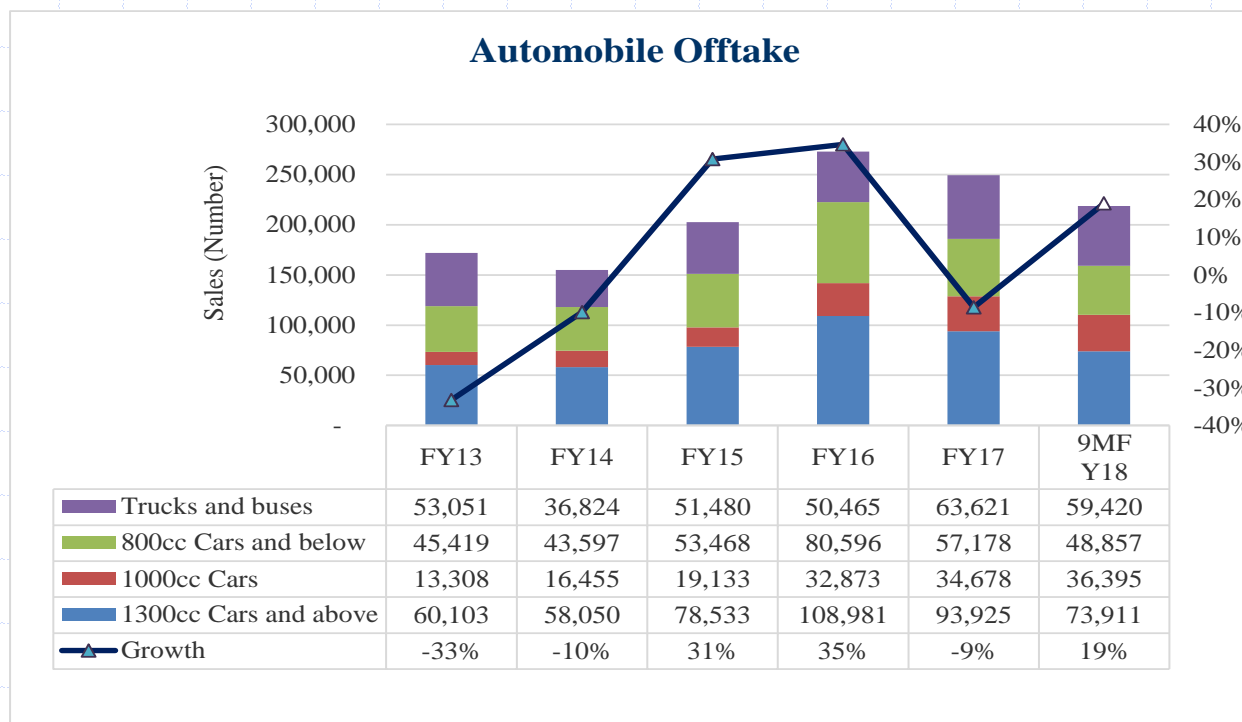
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More than 90% revenue of the Tracking sector is generated through vehicle tracking, automobile offtake directly impacts the sector dynamics. This also includes increased demand from large businesses using extensive transportation fleets.

- Government sponsored schemes is helping the motor segment
- CY18: Punjab Government Women Motorcycle Scheme 2018
- CY17: CM Punjab APNA ROZGAR Suzuki Ravi and Suzuki Bolan Scheme 2017
- CY17: Orange Cab schemes – 100,000 cars



Opportunities and Challenges

- + With growth in Auto-financing by banks, increased offtakes in Auto sector and insurance, the tracking business is benefitting
- + New Cab schemes | Uber | Careem
- + CPEC related projects provide new avenues for container tracking
- + Low penetration in retail market provides huge growth potential
- + Amidst competition, large players are diversifying in more innovative solutions
- Improved Security | Low Theft
- Automobile technology improving to avert theft
- Though gross margins are strong, high promotional expenses amidst tough competition, keeps operating margins thin
- Inclusion of cheaper tracking devices hampers quality services by small players and, hence, low recovery ratio; confidence of customers goes down. Also recovery strategy needs improvement in case of small players.
- Upkeep of good Customer services require high cost – call center and large HR require to respond to customer queries

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