



RELIEF

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Relief

Introduction

- The “relief” sector provides items and materials used for humanitarian aid by national and international relief and aid agencies, governmental authorities as well as Non-Governmental Organizations (NGOs).
- Relief items consist of a large variety of products including tents, tarpaulins, mosquito nets, sleeping mats, blankets, basic kitchen utensils, jerry cans, and buckets. Tents, tarpaulin, and mosquito nets, also known as insecticidal nets, make up the largest segments within the relief sector products.
- The need for these products arises due to natural calamities such as floods, wildfires, and earthquakes or man-made crises such as wars, regional conflicts, and industrial accidents. Moreover, relief items are also used to address problems that arise as a result of wealth and income inequalities in various parts of the world such as malaria, aids, and malnutrition. Lately, recreational use of certain items (mainly tents, nets, portable lights, etc.) has been increasing in eco-tourism and outdoor activities.
- International organizations such as UNHCR, UNICEF, and WFP as well as national organizations such as NDMA purchase the required relief materials from various manufacturers who meet specific quality criteria. Procurement by such agencies is often done through a bidding process to receive the best price.



Relief

Global | Overview

- The global relief sector falls under a wider category of the emergency and disaster response market, which encompasses various segments including threat detection equipment, protective gear, medical equipment and emergency notification systems, among others.
- The demand for disaster relief and management has been rising due to the increase in unpredictable natural disasters in recent years as a consequence of climate change on the global environment as well as regional conflicts.
- The emergency and relief services sector has grown strongly in recent years. The global market size of the relief sector is projected to grow by ~9.2% YoY from USD~25.4bln in CY24 to USD~27.7bln in CY25.
- The UN, through its various organizations and bodies, remains one of the largest procurers of relief goods. Total UN procurement of goods and services, through 39 organizations stood at USD~24.9bln in CY23. This was down by ~15.7% YoY or USD~4.7bln, from the previous year. The UN High Commissioner for Refugees (UNHCR) procured goods and services worth USD~1,431mln during CY22 (CY21: USD~1,340mln) to provide aid and relief to refugees displaced by war and conflicts.
- The UN responded swiftly to escalating global conflicts and extreme weather conditions in CY24. In Lebanon alone, ~269,000 relief items were distributed during the year, while in Haiti, ~100,000 people received essential supplies, including emergency shelter kits, blankets, and sleeping bags.
- In CY25, ~305.0mln people around the world are projected to require urgent humanitarian assistance and protection, as multiple crises escalate with devastating consequences for the people affected. As of CY24, while ~33.0mln people require assistance and protection inside Syria and in neighboring countries, the severity of needs remains unparalleled in the Occupied Palestinian Territory (OPT) while simultaneously rising in Lebanon.
- Moreover, in CY25, global humanitarian partners aim to continue improving delivery for people in crisis, majorly by promoting locally-led humanitarian action (these are estimated to deliver programming ~32.0% more cost efficiently than international intermediaries) and expanding cash assistance, among others.



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Local | Overview

- There are, at the present moment, ~88 tent manufacturers and exporters operating in Pakistan. However, only a few of these are involved in manufacturing and providing supplies for the purpose of disaster relief.
- While there are a number of Pakistani firms on the United Nations' list of registered vendors (as of Jan'25), there are only three manufacturers of relief items, such as tents, tarpaulin and mosquito nets, on the list, namely, H. Nizam Din & Sons (PVT) Limited, Paramount Tarpaulin Industries and Zahra Tents Industries (PVT) Limited.
- In the aftermath of Aug'22 floods, ~33mln individuals were impacted, of whom ~20.6mln (~50.0%) needed life-saving assistance. A minimum of ~664,000 people moved into relief camps and unofficial locations out of a total of ~7.9mln displaced persons. Moreover, the GoP, distributed ~600,000 tents, ~400,000 tarpaulins and ~3.5mln mosquito nets in the wake of these floods.
- By CY50*, as identified by the National Action Plan, annual expected damage from riverine floods is expected to surge by ~47.0%. The riverine floods are particularly severe in Punjab and Sindh Provinces, which have experienced exceptional flood damage on an almost yearly basis in recent years.
- Apart from local sales, the local relief sector also caters global demand. During FY24, Pakistan's exports of tents, canvas and tarpaulin stood at USD~118.0mln, down ~14.8% YoY. Meanwhile, quantitatively, these fell to ~36,059MT (FY23: ~37,736MT). Moreover, the NDMA has, as of Feb'25, dispatched ~14 consignments in humanitarian aid to the war-torn Palestine (~1,478MT comprising bell tents, winterized tents, tarpaulin sheets and medical tools).
- The sector is represented by the Pakistan Canvas and Tents Manufacturers & Exporters Association (PCTMEA). Pakistan has a three-tier disaster management system. The National Disaster Management Authority (NDMA) leads at the national level, while Provincial and District Disaster Management Authorities oversee relief measures at their respective levels.

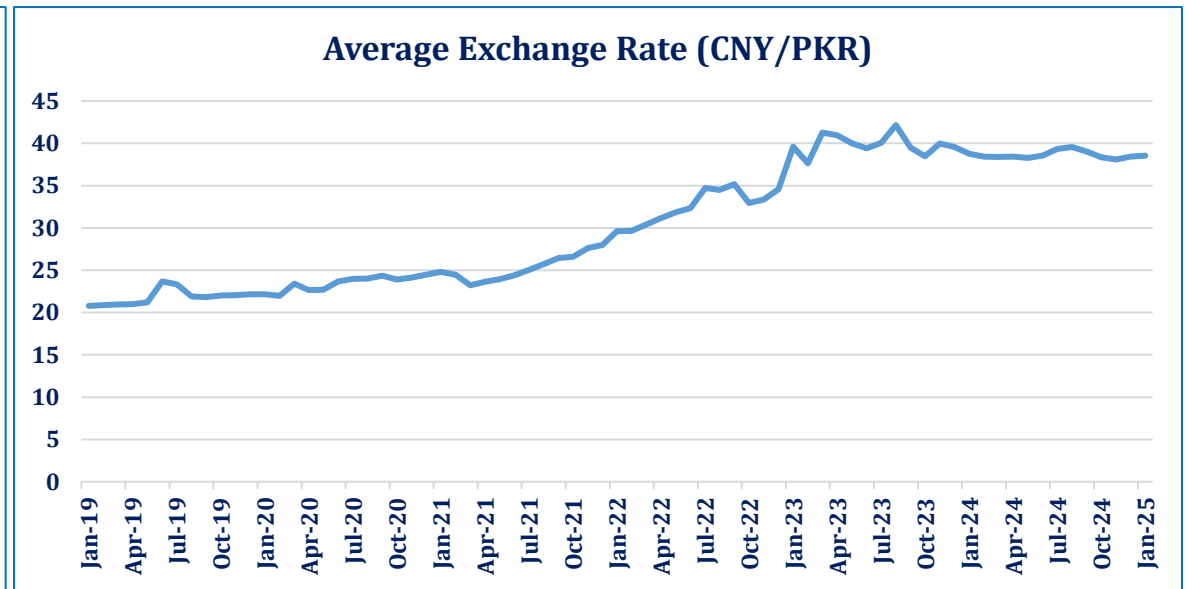
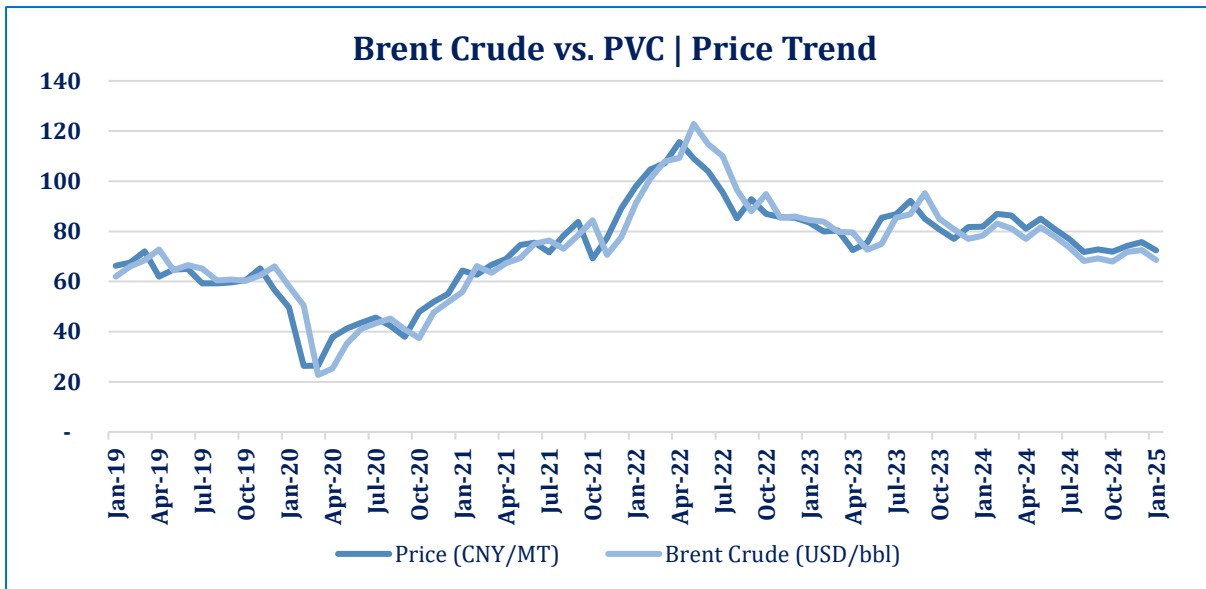


*Sourced from Disaster Management Reference Handbook, 2025.

Relief

Raw Material | PVC

- An important raw material for the production of canvases, tents and tarpaulins is Polyvinyl Chloride (PVC), a derivative of crude oil. Crude oil and PVC prices, therefore, tend to trace similar trends. In CY24, global average price for PVC was recorded at CNY~78.8/MT, down ~3.5% YoY from CNY~81.7/MT in SPLY. The decline was likely due to PVC prices staying in tandem with the global crude oil prices which, in turn, fell ~8.4% YoY (to record at USD~75.2/bbl) on account of high production, low demand due to voluntary production restrictions among OPEC+ members and heightened geopolitical tensions. As these factors are expected to persist in CY25, crude oil prices are expected to decline to USD ~74.0/bbl, which could impact the price of PVC as well.
- The primary producer of PVC in Pakistan is Engro Polymer & Chemicals Ltd. with annual capacity of ~295,000MT as of CY23. Engro produces both rigid and flexible types of PVC. The country is also reliant on imports from countries such as China, Indonesia, Sweden and South Korea which made up ~56.0% of the total PVC imported in FY24. Consequently, exchange rate fluctuations play a significant role in determining local PVC prices.



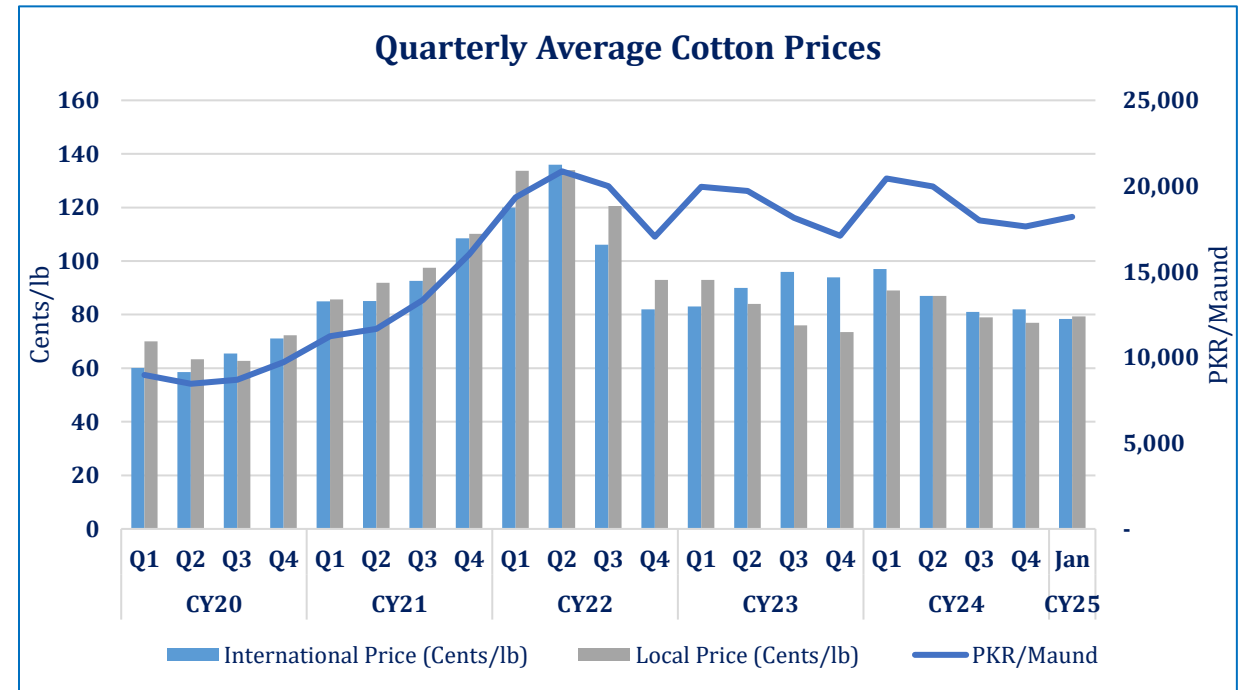
Note: HS code for PVC imports 3904.

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Raw Material | Cotton

- Cotton serves as another raw material for the manufacturing of canvases and tents. Pakistan’s cotton production increased by ~108.2% YoY in FY24 owing to a low-base effect and better soil quality. This resulted in ~74.5% YoY lower cotton imports during the year. Moreover, the GoP announced an incentive in the form of a Minimum Support Price (MSP) of PKR~8,500/40KG bag for the FY24 cotton crop
- FY25 target for cotton production is set at ~10.9mln bales, of which ~50.5% has been met as of Feb’03, CY25(or ~5.5mln bales). Of this, Sindh and Punjab comprised ~50.9% and ~49.1%, respectively, during the period. ~34.0% YoY lower cotton production in 7MFY25 led to ~248.7% YoY increase in cotton imports during the same period.
- Local price levels remained ~6.1% higher than global levels (cents/lb) during CY20-22. However, since 2QCY23, this reversed, with global prices outpacing local prices. In CY24, local prices remained ~8.6% lower than global prices, on account of currency appreciation and higher global cotton production. In CY24, averaged USD/PKR recorded at 278.5 (SPLY: USD~280.1/PKR).
- Local prices averaged at PKR~19,015/maund in CY24, up ~1.5% YoY, while global prices recorded at ~86.8 cents/lb (down ~4.3% YoY).

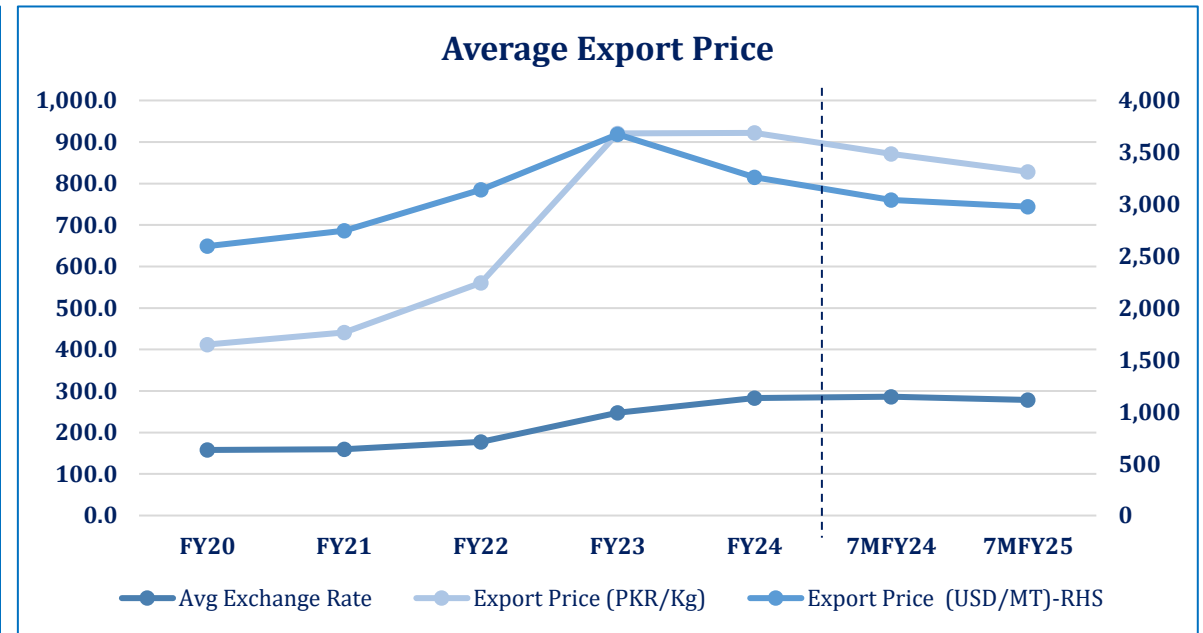
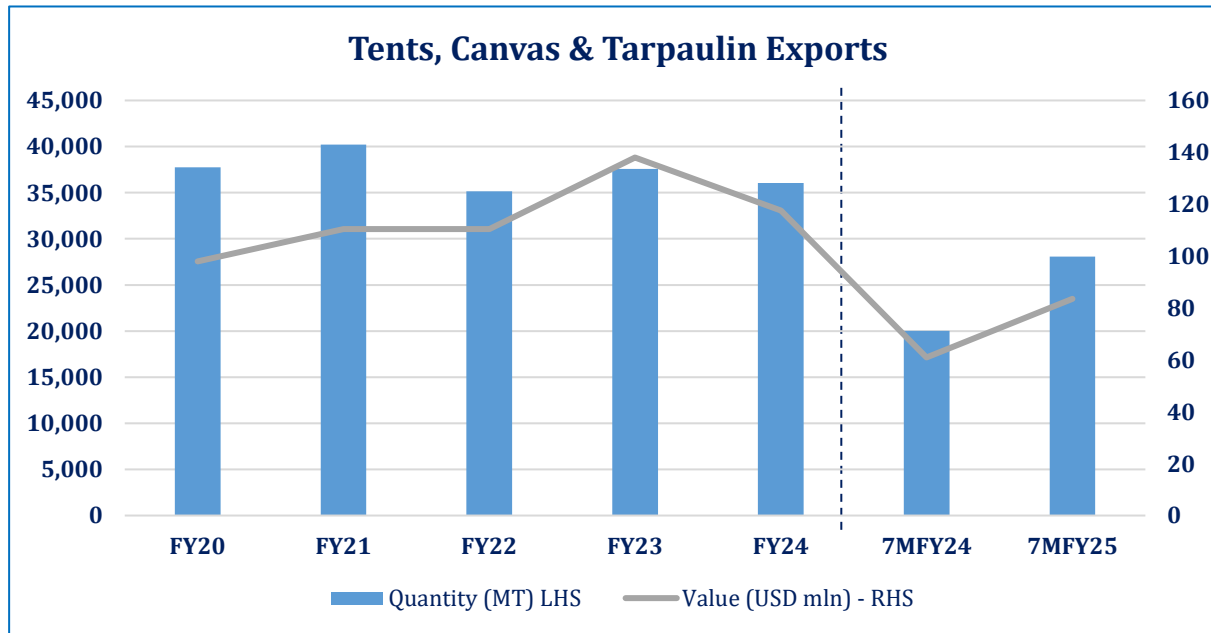
Pakistan's Cotton Supply ('000' Bales)					
Particulars	FY20	FY21	FY22	FY23	FY24
Production	9,148	7,064	8,329	4,910	10,223
Imports	3,157	5,043	4,636	4,023	1,205
Supply	12,305	12,107	12,965	8,933	11,428



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Local | Exports

- During FY24, exports of tents, canvas and tarpaulin stood at 36,059 MT, down ~4.0% YoY. In USD terms, these were down ~14.5% YoY, clocking in at USD~118.0mln (SPLY: USD ~138.0mln). Exports during 7MFY25 rose to 28,068 MT, up ~39.7% YoY. In value terms, these recorded at USD 83.5~bln, up ~37.1% YoY.
- Of the total exports as defined above, exports for tents, in volume terms, formed ~73.8% share in FY24 (SPLY: ~76.6%) and recorded at 26,604MT in FY24, down ~7.5% YoY. Of the tents exported, cotton tents formed ~ 40.1% share in FY24.
- Average export price of tents, canvases and tarpaulins increased with a CAGR of ~12.1% between FY20-23 and stood at USD~3.260/MT during FY24 (SPLY: USD~3,674/MT). Moreover, in 7MFY25 period, these declined by ~2.2% YoY to stand at USD~2,976/MT.



Note: Data reflects HS Code 6306. For Tents, HS codes include 6306.2200,2910,2990.

Relief

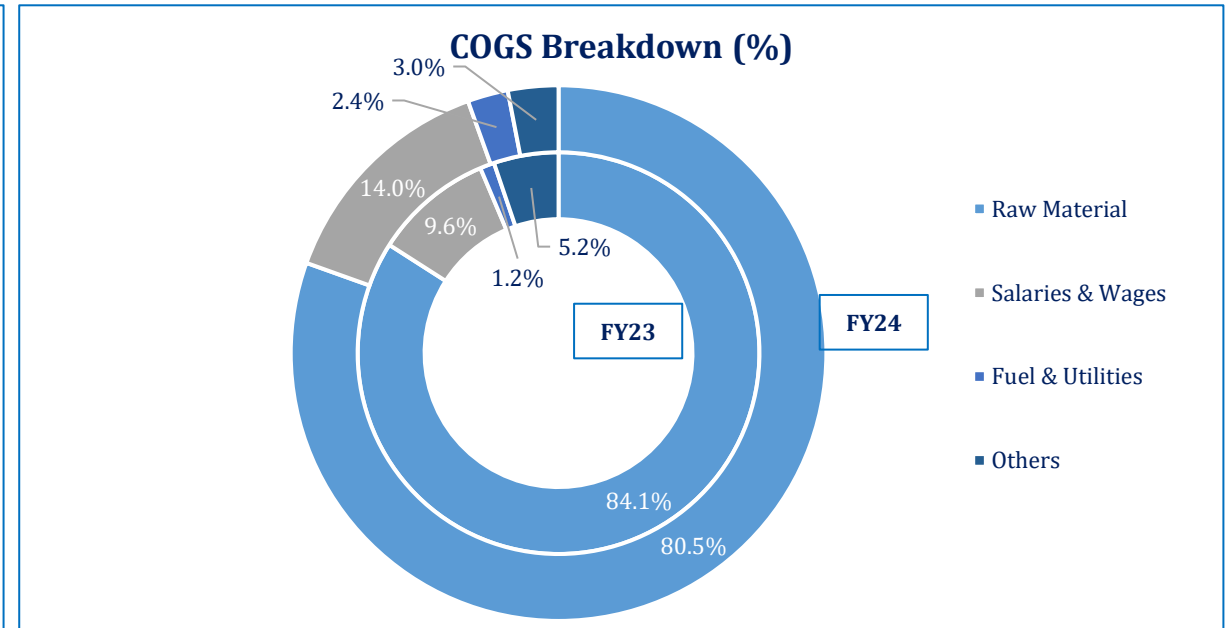
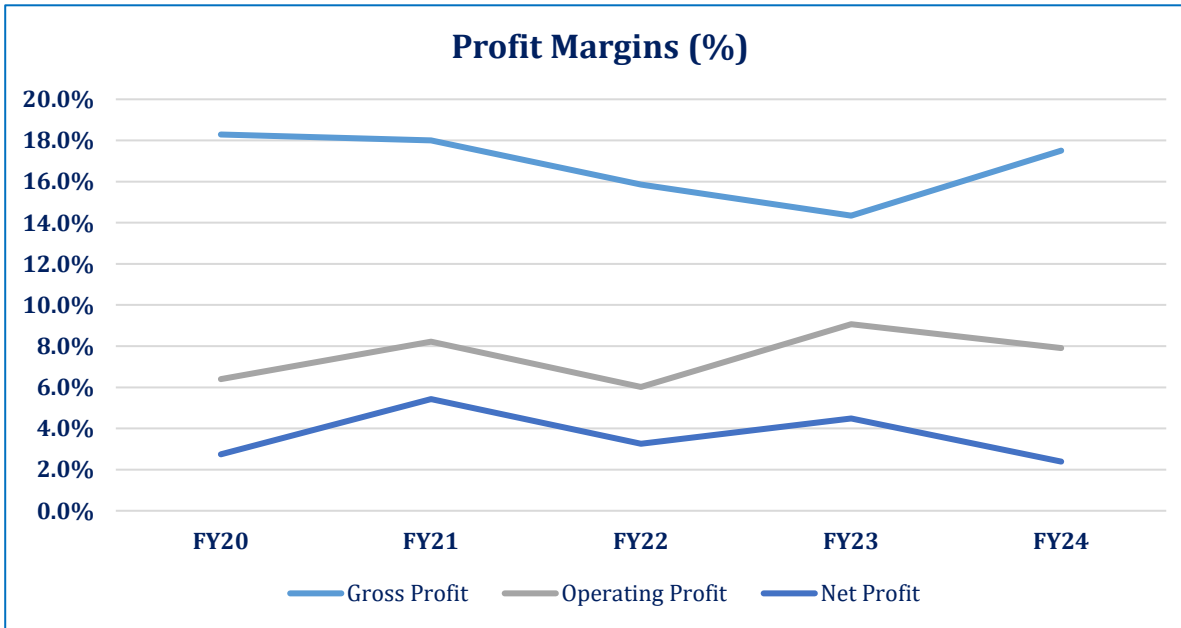
Local | Export Destinations

- Major export destination for tents, canvases and tarpaulins exports is Saudi Arabia, which comprised ~21.1% of the total export proceeds in FY24. Other export destinations include Middle Eastern countries such as the U.A.E, Jordan and Turkey which contributed ~22.6%, ~5.5% and ~1.9%, respectively, to total exports proceeds in FY24.
- The Middle East is a region where relief activities have been highly concentrated in recent years due to prevalence of regional conflicts as well as presence of a growing numbers of refugees.
- In addition, exports to the USA formed ~4.8% of total exports in FY24. Collectively, the top five export destinations constituted ~55.9% of total exports of tents, canvases and tarpaulins during the period under review.

Export Destinations	FY20		FY21		FY22		FY23		FY24		7MFY24		7MFY25	
	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%	USD '000'	%
U.A.E.	14,892	16%	21,475	18%	20,732	14%	12,326	9%	27,514	23%	16,179	22%	11,653	15%
Saudi Arabia	22,073	24%	25,223	21%	18,149	16%	19,736	15%	25,825	21%	16,883	23%	14,796	19%
Jordan	1,580	2%	3,846	3%	3,115	6%	3,929	3%	6,706	5%	4,393	6%	15,032	19%
USA	4,998	5%	9,589	8%	13,429	3%	8,445	6%	5,899	5%	2,837	4%	4,506	6%
Turkey	7,737	8%	10,981	9%	10,118	10%	18,191	14%	2,341	2%	2,341	3%	2,829	4%
Others	40,238	44%	48,022	40%	48,985	51%	68,334	52%	53,715	44%	30,067	41%	29,184	40%
Total	91,518	100%	119,136	100%	114,528	100%	130,961	100%	122,000	100%	72,700	100%	78,000	100%

Business Risk | Margins & Cost Structure

- The Sector’s margins traced a downward trajectory in recent years (FY22-23), with gross margins averaging ~16.6%. However, in FY24, the gross margins increased to ~17.5% (FY23: ~14.3%), despite a fall in revenue of ~24.8% YoY. This was achieved by lower cost of sales which also fell by ~ 26.3% YoY. The sector’s net margins have historically stayed thin, averaging at ~4.0% during FY21-23. These dipped in FY24 to ~2.4% (SPLY: ~4.5%), on the back of ~41.9% YoY higher finance cost.
- Raw materials constituted the largest component within the sector’s direct costs, making up ~80.5% share in FY24 (FY23:~84.1%). Raw material comprise cotton and PVC, as discussed earlier in the report.

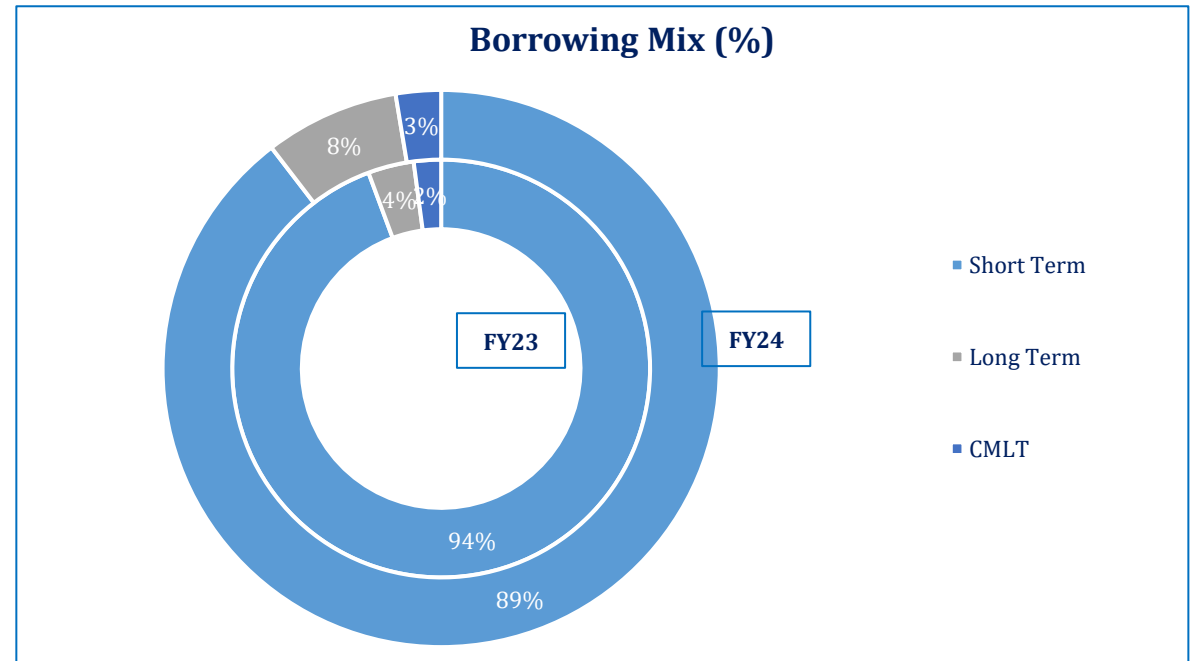
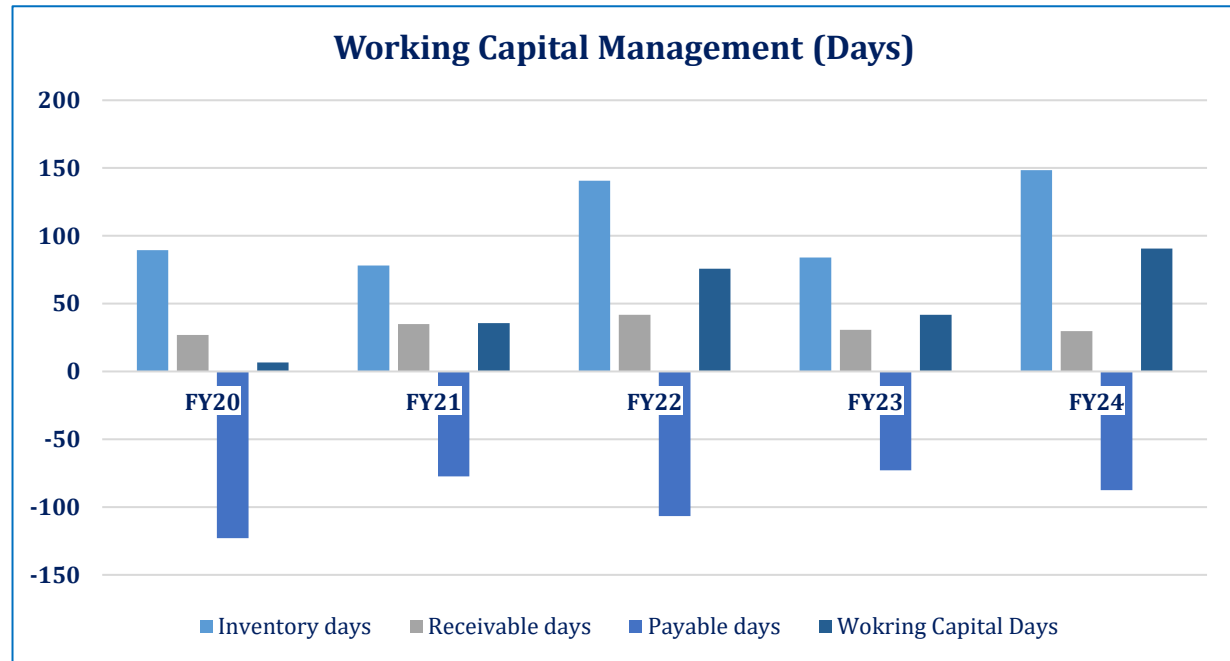


Note: Margins and cost breakdown is reflective of 1 PACRA rated players.

Relief

Financial Risk | Borrowing and Working Capital Management

- Relief sector's total borrowings stood at PKR~2,974mln as at End-FY24 (End-FY23: PKR~2,527mln), down ~15.2% YoY. These were largely dominated by Short-term borrowings (STBs) which formed ~89.6% (SPLY: ~86.5%) of the total borrowings mix. STBs stood at PKR~2,664mln as at End-FY24 (SPLY: PKR~2,186mln). Meanwhile, Long-Term Borrowings (LTBs) constituted ~7.8% (SPLY: ~8.5%) of total borrowings, amounting to PKR~232.0mln during FY24 (FY23: PKR~214.0mln).
- The sector's working capital is largely a function of inventory and trade receivables. The sector's average net working capital cycle (FY20-23) stood at ~40 days, However, it clocked in at ~91 days in FY24 (FY23: ~42 days). In FY24, inventory days, receivable and payable days were recorded at ~148 days (FY23: ~86 days), ~31 days (FY23: ~30 days) and ~88 days (FY23: ~75 days), respectively.



Relief

Local | Climate Mitigation and Adaptation

- The GoP has in place Disaster Risk Reduction (DRR) measures, in that, a National Disaster Risk Management Framework (NDRMF) has been developed with the NDMA. The Framework includes measures to enhance disaster preparedness, improve early warning signs and enhance response/ recovery.
- Additionally, the National Disaster Risk Management Fund (NDRMF) completed ~13 DRR projects during CY22-23, while total disbursements made by the Fund till date amount to USD~355.5mln (inception: CY16), against USD~420.0mln portfolio. The complete portfolio comprises funding from various multilateral organization such as The World Bank, The Asian Development Bank, along with The GoP.
- The Government is also in the process of developing a National Catastrophe (Nat-Cat) model, first of its kind in the country in order to predict the likelihood and impact of future natural disasters.
- Moreover, efforts to mobilize funds through the Global Climate Fund (GCF) have been initiated, while the GoP is also engaged with the UNDP Adaptation Fund for the development of climate-resilient infrastructure. There are also Community-Based Disaster Risk Management (CBDRM) committees operating in vulnerable communities.

Past Natural Disasters & Their Estimated Impact		
Disaster	Year	Estimated Impact
Flood	CY22	~66.7% of area came under water with ~1,700 deaths and ~8.0mln displaced; Damage & loss estimated at USD~14.9bln, and USD~15.2bln, respectively, with USD~16.3bln re-build cost.
Bushfires	CY22	USD~41.0mln worth pine nuts lost; USD~18.6mln loss in year to come due to burnt trees.
Smog	CY16	Increased health costs with millions of people suffered respiratory and eye infections owing to poor air quality.
Heatwave	CY15	~1,200 people died due to heatstroke and suffocation, while over ~80,000 people were brought to nearby hospitals for treatment.
Flood	CY10	Over ~1,800 lives lost; ~20.0mln people affected (loss & damage) and displaced; Resulted in ~5.0% loss of GDP.
Earthquake	CY00	Fiscal costs of relief and rehabilitation of over USD~5.2bln; over ~80,000 casualties; ~4.0mln people affected; Loss to buildings, bridges, and other infrastructure

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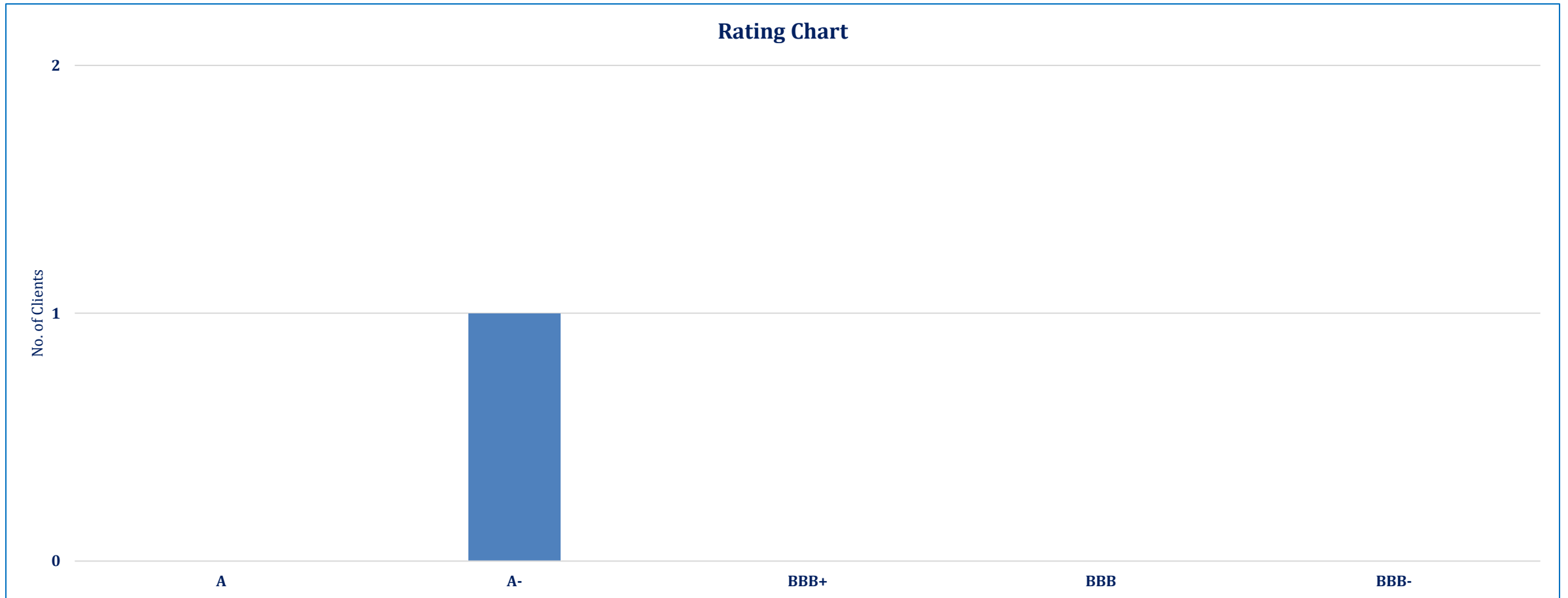
Duty Structure

PCT Code	Description	Custom Duty		Additional Custom Duty		Regulatory Duty		Total	
		FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
52.01	Cotton, not carded or combed	0%	0%	2%	2%	0%	0%	2%	2%
52.03	Cotton, carded or combed	0%	0%	2%	2%	0%	0%	2%	2%
52.05	Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale	11%	11%	2%	2%	0%	0%	13%	13%
52.06	Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale	11%	11%	2%	2%	0%	0%	13%	13%
52.07	Cotton Yarn (other than sewing thread) put up for retail sale	11%	11%	2%	2%	0%	0%	13%	13%
39.04	Polymers of vinyl chloride, in primary forms	2-16%	2-16%	4-11%	4-11%	0%	0%	6-27%	6-27%
63.06	Tarpaulins and tents (Of textile materials and synthetic fibres)	20%	20%	6%	6%	10%	10%	36%	36%

Relief

Rating Curve

PACRA rates 1 player in the relief sector with a long-term rating bandwidth ranging from A-.



Relief

SWOT Analysis

- Government support in the form of favorable duty structure.
- Strong reputation with status as verified vendors for the United Nations.
- Currency depreciation has increased competitiveness.



- Volatility in demand as natural disasters cannot be predicted.
- Inefficient production.

- Raw material supply constraints.
- Fluctuations in raw material prices.

- Increase efficiency and improve quality through technological upgrades.
- Frequent occurrence of natural disasters due to climate change and failure to resolve conflicts leads to greater demand of relief items.

Relief

Outlook: Stable

- While the COVID-19 pandemic had resulted in an overall economic distress, it had the opposite impact on the disaster relief sector. As traditional hospitals and emergency services exceeded their capacities, there was greater demand for tents, canvases and tarpaulin for the purpose of creating temporary shelters and structures which could operate as field hospitals, testing sites and quarantine centers. As the pandemic has subsided, the demand has tapered off.
- However, more recently, heavy floods of Aug'22 in Pakistan are estimated to have displaced ~1.7mln people, while ~89,000 people in Sindh still remain deprived of their homes. This has created a sustained demand for relief items, which is expected to continue in the upcoming years.
- Meanwhile, demand created through regional conflicts remains persistent, specifically in regions such as the Middle East, which is a major destination for Pakistan's exports of tents, canvas and tarpaulin. In addition, natural disasters and extreme weather events are expected to continue to increase as a result of climate change and global warming, causing further demand for exports.
- Cotton production surged in FY24, reaching ~10.2mln bales, a significant recovery from the previous year's flood-impacted low output. Cotton serves as an important input for the sector's production. For the forthcoming crop year of FY25, cotton production targets stand at ~10.9mln bales, while as of End-Jan'25, total cotton arrivals amounted to ~5.5mln bales. Lower cotton production in the country is likely to increase import dependence (raw cotton imports surged ~248.7% YoY in 7MFY25. This is likely to impact the financial performance of sector players vis-à-vis international prices and exchange rate movement, however, global prices are expected to remain on the lower end, combined with a stable PKR against the USD.
- Furthermore, due to a stable currency and declining crude oil prices in the international market, PVC prices are expected to remain low and may decline further. This would once again reduce the cost of sales for local players, as PVC is the primary raw material in producing various relief items such as canvases, tents, and tarpaulins. Raw material costs formed a significant component of total sales costs, accounting for ~80.5% of the total cost in FY24 (FY23: ~84.1%). However, since the sector also caters global demand through exports of tents, tarpaulins and canvases, earnings in USD are likely to provide some cushion to the players.

Relief

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