



Tracking Services

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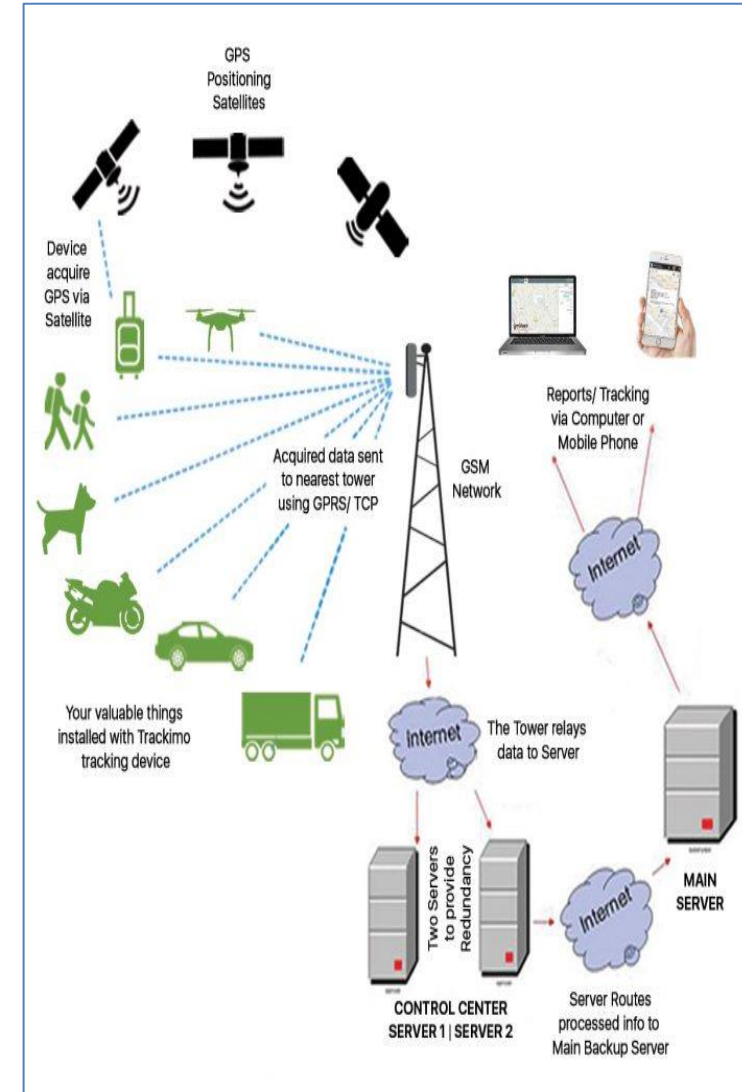
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Tracking Services

Introduction

- Tracking Services are used to monitor the data of objects on the go. Tracking is becoming an increasingly important tool for businesses that require real-time information pertaining to vehicle fleets, personnel or merchandise and improve and control.
- With this variable information, organizations are able to enhance productivity. For individual users, it provides convenience with navigational applications, like tracking their packages and deliveries when using online services.
- While tracking services can extend to multiple asset classes, this report limits its scope to car, fleet and container tracking, reflecting their dominant role in Pakistan's Tracking Services Sector.
- Tracking Services are based on the convergence of several technologies including:
 - Geographic Information Systems (GIS)** – Used for large-scale location-tracking systems, geographic information systems can capture, store, analyze, and report geographic information.
 - Internet of Things (IoT)** - enables real-time asset monitoring, condition sensing (such as temperature, fuel levels, or machine health), and integration with cloud-based analytics platforms.
 - Global Positioning System (GPS)** – radio navigation system that allows land, sea, and airborne users to determine their exact location, velocity, and time 24 hours a day, in all weather conditions, anywhere in the world.
 - Radio Frequency Identification (RFID)** – Small, battery-less microchips that can be attached to consumer goods, cattle, vehicles, and other objects to track their movements. RFID tags are passive and only transmit data if prompted by a reader.
 - Wireless Local Area Network (WLAN)** - A wireless local-area network (WLAN) is a group of collocated computers or other devices that form a network based on radio transmissions rather than wired connections. A Wi-Fi network is a type of WLAN.



Tracking Services

Global | Overview

- The global tracking service market is estimated at USD ~10 billion in 2025. It is expected to grow to USD~11.7 billion in 2026 and approximately USD 41.5 billion by 2034, registering a compound annual growth rate (CAGR) of ~17.2% over the 2025–2034 period.
- North America had the highest market share in tracking services of ~34% in CY24. The emergence of smart sensors resulted in increased fleet management solutions technology adoption in this region. Moreover, increase in e-commerce and online shopping is expected to boost the use of tracking services for business and retail shipments.
- The Asia Pacific region is expected to be the fastest-growing market for tracking services. Growth is primarily driven by the rapid expansion of e-commerce and logistics, particularly in China and India. China leads the region due to its large-scale e-commerce ecosystem and strong demand for efficient tracking solutions, further supported by government-led digitalization initiatives.
- The global demand for Tracking Services is surging due to the increasing need for safety and efficiency in semi-autonomous and autonomous vehicles. The integration of 5G technology, the rising popularity of car rental services, and a heightened focus on passenger safety are the key drivers. Additionally, the global adoption of intelligent transportation systems is fueling the demand for advanced tracking solutions worldwide.
- Global players in the Tracking Services Sector include Sierra Wireless Inc. (Canada), Atrack Technology Inc. (Taiwan), TomTom International B.V. (Netherlands), Orbcomm Inc. (US), Shenzhen Concox Information Technology Co. Ltd. (US), Meitrack Group (China), and Global Tracking Group, LLC (US). Each brings unique expertise and innovation to the industry.

Tracking Services

Market Segmentation

By Type

Passive Tracking: The passive tracking unit gathers data that needs to be downloaded from the tracker. During CY24-30, the passive type segment is expected to grow at a CAGR of ~9.4%.

Active Tracking: Active tracking units collect the data and transmit it in near-real-time via cellular or satellite networks to a computer or data center for evaluation. This segment dominates the market and is expected to grow at the fastest rate of ~14.6% by CY30.

By Technology

GPS/Satellite: Global Positioning System is a navigation technology reliant on a satellite system based in space. It is anticipated to grow at a CAGR of ~12.6% over the forecast period (CY24-CY32). The expansion can be attributed to increased sales of commercial vehicles and the adoption of cloud technology and IoT in the healthcare, automotive, logistics, and defense industries.

GPRS/Cellular Networks: GPRS vehicle tracking system uses the data network to transmit information. The market is segmented by technology type into GPS/satellite, GPRS/cellular network, and dual-mode.

By Vehicles

Passenger Car: Tracking systems used in consumer vehicles as a theft prevention, monitoring and retrieval device. Using a tracking system by app-based transportation and renting business like Ola, Uber, Careem and Lyft.

Commercial Vehicle: Tracking system implemented by businesses with fleet operations in industries like transportation, construction, specialty services, delivery etc. Increased domestic and international logistical shipments via road transport are anticipated to contribute in the growth of this segment.

By Application

Software: provides insight into fleet activity and operational performance. Tracking software includes features such as fleet analytics, real-time alerts for traffic and maintenance, vehicle diagnostics etc.

Hardware: Small unit or device fitted to the vehicle which transmits data via satellite or cellular network.

Tracking Services

Applications

A comprehensive real-time location tracking and analytics solutions put geographical and location data to good use by extracting valuable insights. These insights can be used in a variety of ways, a few of which are stated as follows:

- **Fleet and Logistics optimization:** Tracking services enable real-time monitoring of vehicles and shipments, helping firms optimize routes, reduce fuel consumption, improve delivery times, and manage fleets more efficiently.
- **Asset and equipment monitoring:** Organizations use tracking to monitor the location, usage, and condition of high-value assets such as construction machinery, agricultural equipment, and medical devices, reducing loss and downtime.
- **Security and theft prevention:** Tracking services support geofencing, real-time alerts, and recovery systems that help prevent theft and enable rapid retrieval of stolen vehicles or assets.
- **Operational efficiency and data intelligence:** By collecting continuous location and movement data, tracking services generate insights that improve planning, detect inefficiencies, and support data-driven decision-making across operations.
- **Public services and safety:** Governments and public agencies use tracking to monitor emergency vehicles, public transport, and municipal fleets, improving response times, service reliability, and overall public safety.

Industries that benefit from tracking services						
Logistics/ Transportation	Construction and Mining	Agriculture and Farming	Security and Armed Response	Waste Management	Car Rental and Vehicle Leasing	Public Sector and Municipal Fleets

Tracking Services

Local | Demand Drivers

- **Safe Transportation Environment (STE) Project:** Demand for tracking services in Pakistan has been primarily driven by the Federal Board of Revenue's Safe Transportation Environment (STE) project initiated in 2012, which mandated GPS-based tracking for transit, bonded, and containerized cargo. The project institutionalized large-scale use of tracking solutions to curb pilferage, smuggling, and revenue leakages, making cargo and transit monitoring the most important structural demand driver for the Sector.
- **Automobile Sales:** Beyond regulatory-driven cargo tracking, vehicle tracking is widely adopted across commercial fleets and private automobiles for theft prevention, fleet management, and operational monitoring.
- **Online Applications:** Tracking services are increasingly being integrated into digital and on-demand platforms (such as food, grocery, and e-commerce delivery apps) to provide customers with real-time updates on the status and location of deliveries, improving transparency and user experience.
- **New Business Opportunities:** Emerging opportunities in connected mobility, software-based tracking, and IoT solutions are expanding demand beyond basic GPS devices, with growing use of analytics, telematics APIs, and customizable SaaS platforms across logistics and enterprise services.



Tracking Services

Local | Overview

- The Tracking Services Sector is a sub-segment of both the broader technology and logistics industries. The Sector is a mix of both product and service-based/solution providers.
- Only one firm (TPL Trakker Limited having ~42% market share as of FY25), providing Tracking Services in the country is listed on the Pakistan Stock Exchange, while the rest are private firms.
- During FY25, the Sector's gross revenue declined to PKR~4,222mln from PKR~6,521mln in FY24. In 1QFY26, gross revenue stood at PKR~667mln, reflecting a YoY decline of ~49.7%, compared to a~18.1% decline in 1QFY25. The contraction in gross revenue during FY25 and 1QFY26 is primarily attributable to the completion of TPL Trakker Limited's Safe Transport Environment (STE) project with Pakistan Customs / FBR, along with the reclassification of Trakker Middle East from a subsidiary to an associated company, which eliminated its contribution to consolidated revenues.
- During the first 5 months of FY26, the number of cars, trucks, buses, jeeps, and LCVs sold was ~55,112 units, ~2,753 units, ~407 units, ~13,680 units, and ~6,123 units, respectively. Even though vehicles are a major demand driver for the Sector, not all vehicles in the country use tracking services.

Overview	Units	FY23	FY24	FY25	1QFY26	1QFY25
Gross Revenue	PKR mln	5,365	6,521	4,222	667	1,326
Revenue Growth	%	7.00%	21.5%	-35.3%	-49.7%	-18.1%
Contribution to GDP	%	0.01%	0.01%	0.01%	0.01%	0.01%
Car Sales	Nos.	96,811	81,577	112,203	55,112*	38,534*
Truck Sales	Nos.	3,182	2,187	4,444	2,753*	1,368*
Bus Sales	Nos.	654	454	786	407*	237*
Jeep Sales	Nos.	24,190	15,027	24,239	13,680*	8,062*
LCVs Sales	Nos.	5,877	7,223	11,581	6,123*	4,197*
Structure	Competitive					
Regulator	PTA					
Associations	Pakistan Automotive Manufacturers Association					

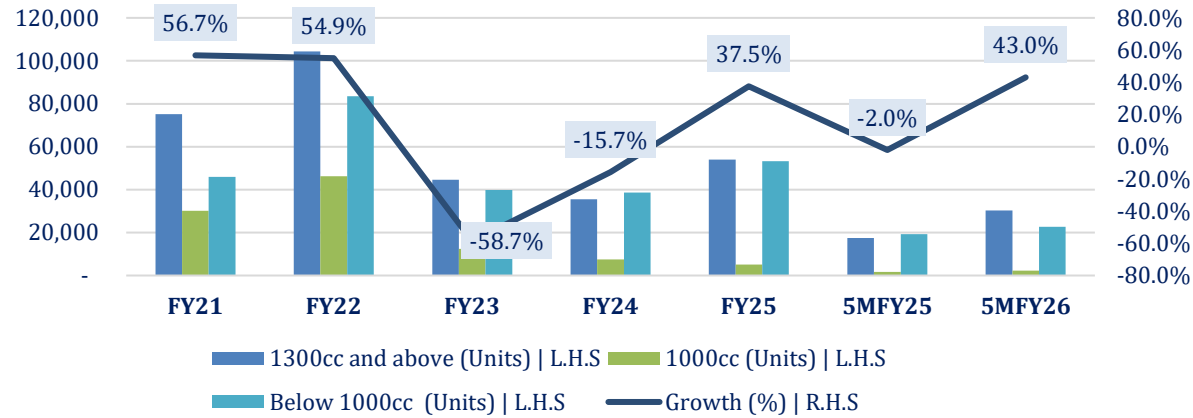
Note: Gross Revenue figures are estimated using the market share of ~1 PACRA-rated/ listed Sector player

*These figures pertain to 5MFY26 and 5MFY25

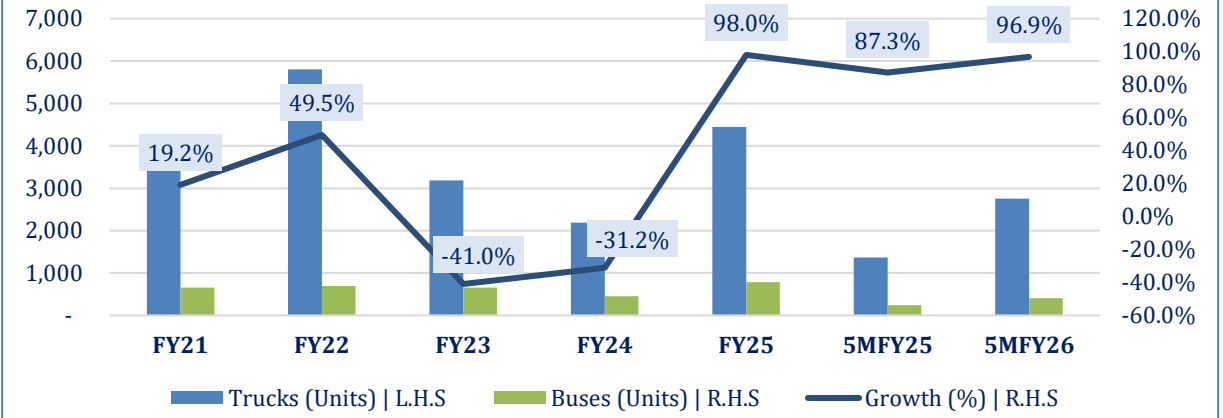
Tracking Services

Local | Automobile Offtake

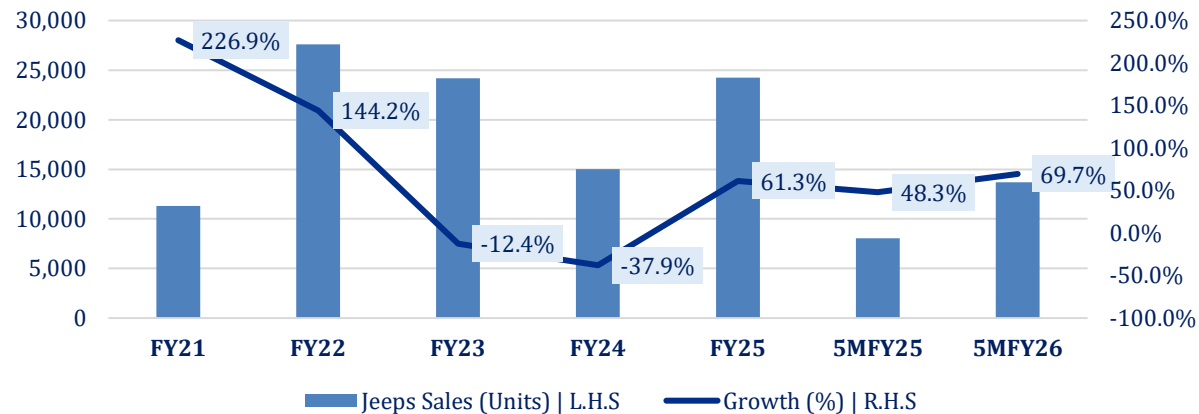
Passenger Cars | Offtake



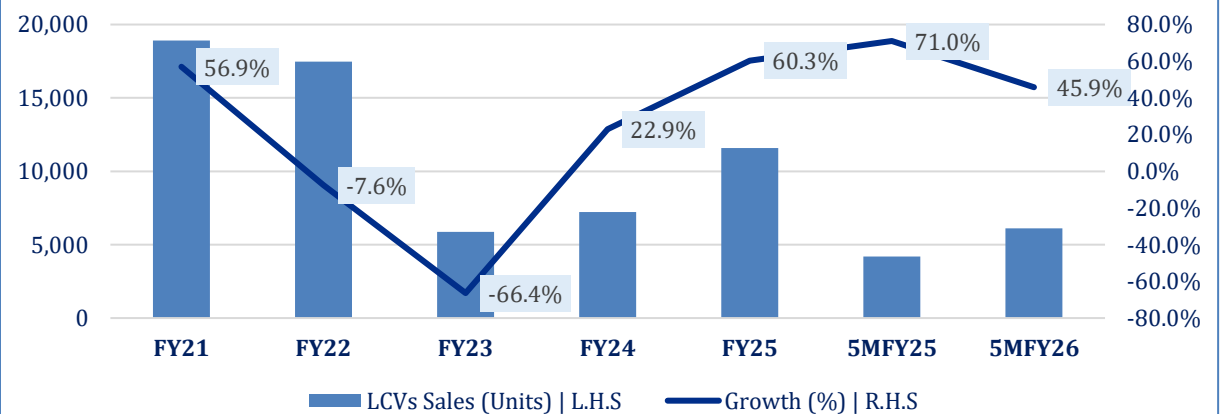
Trucks & Buses | Offtake



Jeeps | Offtake



LCVs | Offtake



Tracking Services

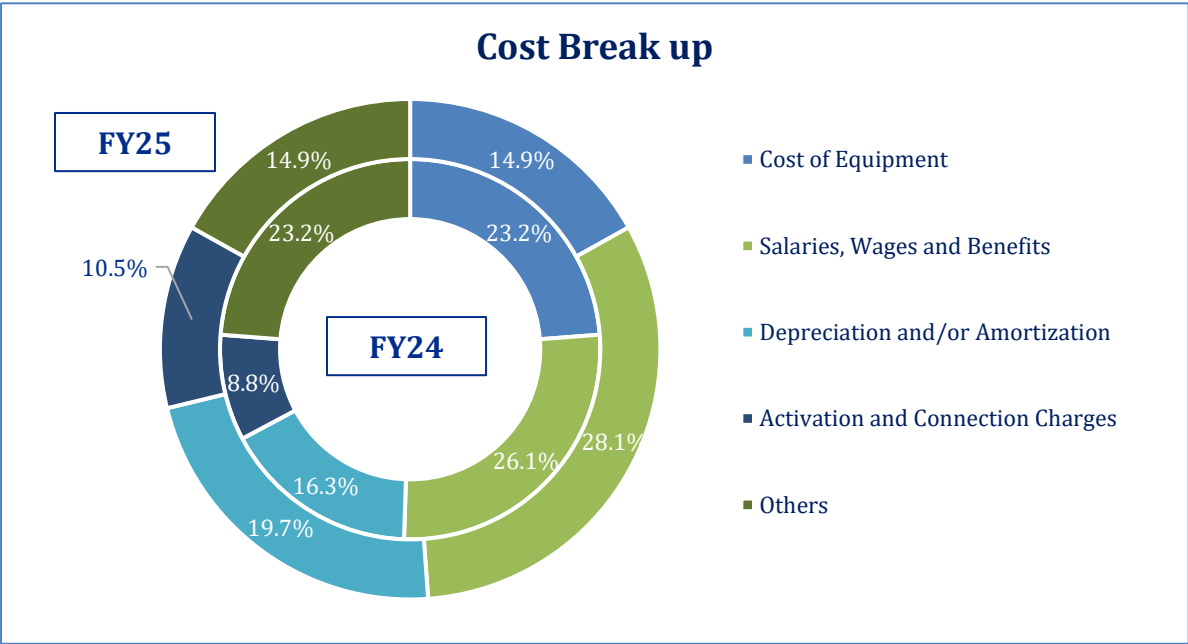
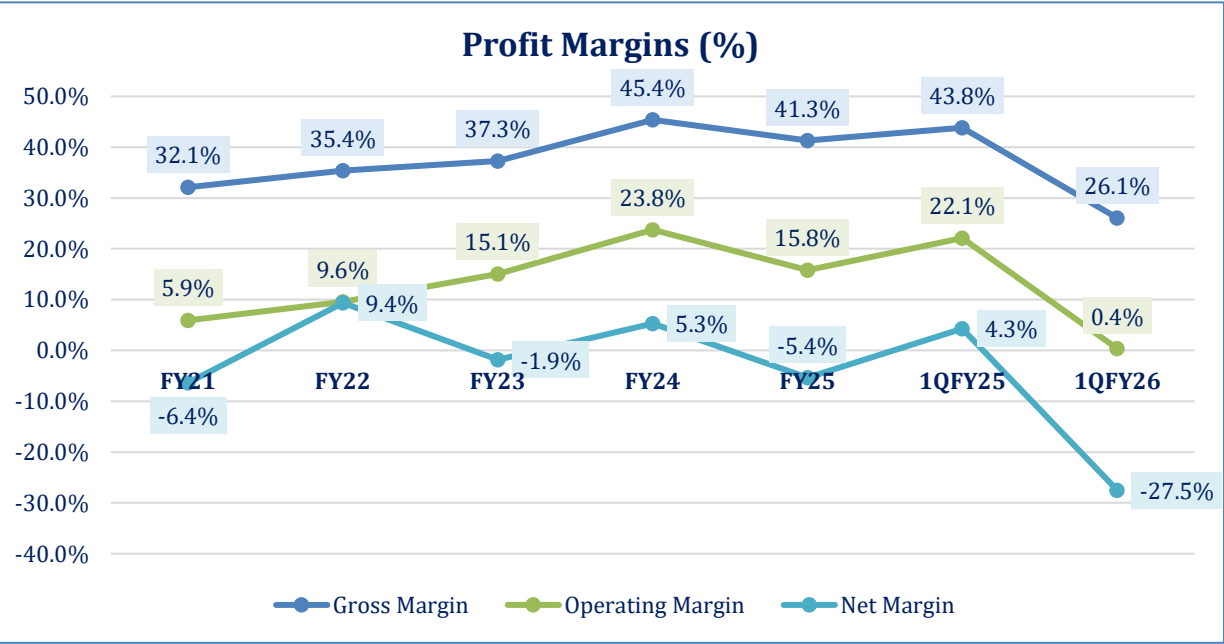
Local | Business Risk

- **Increasing Competition:** The competition in the GPS Tracking Services Sector in Pakistan has grown considerably over the last few years. With increasing demand for fleet management, vehicle tracking, asset security, and personal safety, numerous companies have entered the market, providing a wide range of tracking solutions. Several Pakistani companies provide GPS tracking services, some of which are well-established, while others are newer entrants looking to capture market share. Companies such as Falcon-i, Sky Track, and Unique Track are examples of local providers that cater to various customer needs, from individual vehicle owners to large corporations.
- **B2B Model:** Since many players within the industry are involved in providing services to other businesses, their demand depends on conditions in these client industries. If the overall economy or any client industry or sector is not doing well, it would hamper the creation of new demand for the players providing Tracking Services.
- **Digital Literacy:** Mobile phone usage in Pakistan has increased exponentially in recent years and has resulted in increased digital literacy among the population. However, the majority of the population, particularly those residing in rural areas or belonging to low-income groups, remain lacking in digital literacy, particularly regarding advanced technologies. As a result, this limits or restricts the potential of the Tracking Services market catered towards consumers.
- **Interest Rate:** The Sector is closely linked to the performance of the automobile industry, as vehicle tracking remains its primary application. Changes in the policy rate directly affect vehicle financing costs and sales volumes. In its 15 December 2025 meeting, the MPC set the policy rate at 10.5%, a level that is supportive of auto sales and is expected to indirectly boost demand for tracking services.
- **Data Privacy Infringement:** Data related to vehicles contains sensitive information, such as vehicle make, drivers' details, and routes traversed. The data can be exploited for carrying out malicious or criminal activities. Data privacy infringement is a major reason for end customers to stop using vehicle tracking systems.
- **Imported Raw Material:** Impact on revenue due to disruption in the supply chain as the industry is heavily dependent on the import of raw material from China and the USA. Also, the depreciation of PKR can affect the profitability of the industry.
- **High R&D Costs:** In order to ensure competitiveness and prevent technological obsolescence in the future, there is a need for significant research and development in the industry. As a result, the R&D costs of the industry can be quite high and many R&D projects may not result in fruitful outcomes as desired.

Tracking Services

Business Risk | Margins & Cost Structure

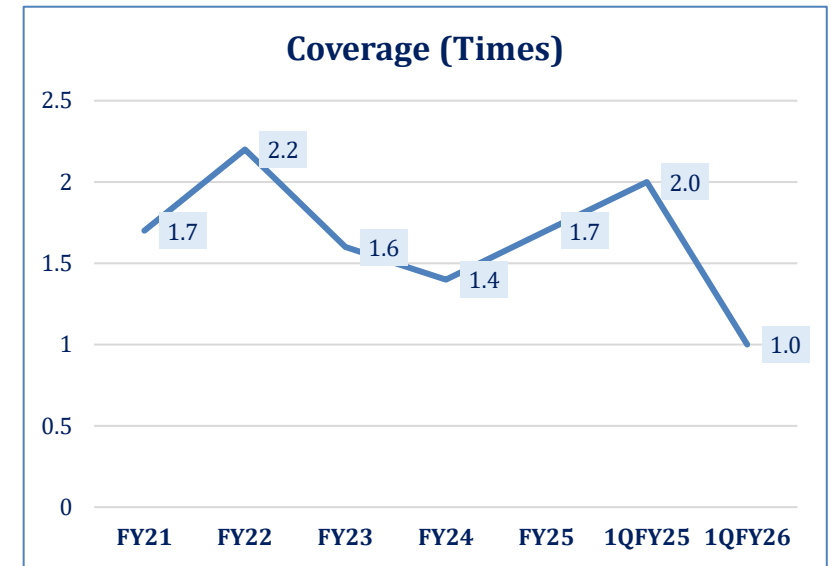
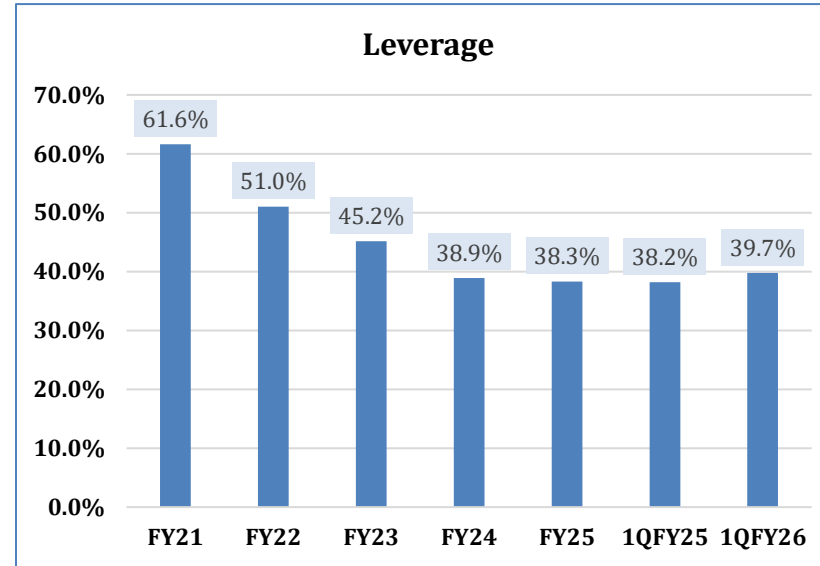
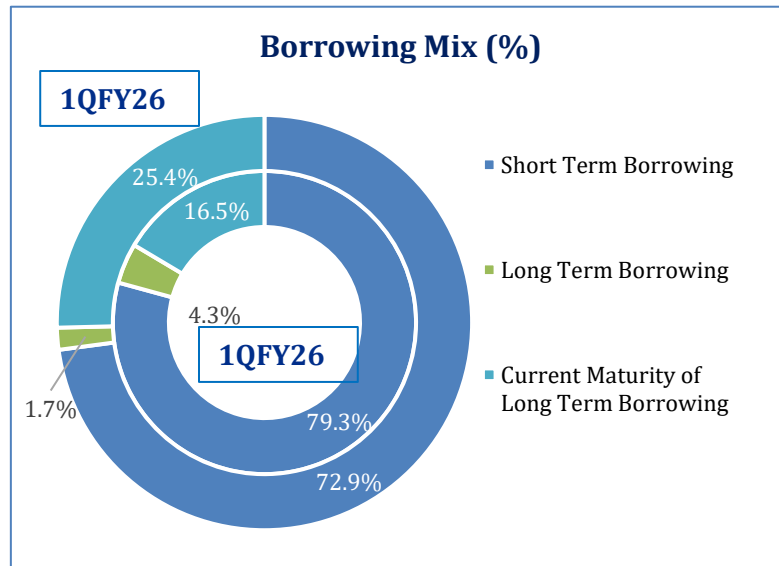
- During 1QFY26, the Sector’s gross margin declined to ~26.1% from ~43.8% in the same period last year, primarily due to the completion of TPL Trakker’s STE project, which had contributed significantly to sales revenue. The resulting decline in sales, coupled with the persistence of fixed operating costs, led to a significant contraction in gross profits.
- During 1QFY26, the operating margin also declined to ~0.4% (SPLY: ~22.1%), while net margin also fell to negative ~27.5% in 1QFY26 from ~4.3% in 1QFY25.
- The two largest components of the Sector’s direct costs are equipment expenses and salaries. Given the Sector’s reliance on a technically proficient and skilled workforce, employee-related costs form a significant portion of total expenses. During FY25, salaries and wages accounted for ~28.1% of total costs, compared to ~26.1% in FY24. In contrast, equipment and raw material costs declined to ~14.9% of total costs from ~23.2% in the previous year.



Tracking Services

Financial Risk | Borrowings

- During 1QFY26, the Sector's total borrowings amounted to PKR~1,541mln, slightly lower than PKR~1,564mln in 1QFY25. Long-term borrowings declined to PKR~26mln from PKR~55mln in the same period last year, reflecting a ~52.7% YoY contraction. In contrast, short-term borrowings increased to PKR~1,111mln compared to PKR~1,016mln in 1QFY25. Meanwhile, the current maturity of long-term borrowings (CMLTB) rose to PKR~387mln, up from PKR~211mln in the same period last year.
- In 1QFY26, short-term borrowings dominated TPL Trakker's debt profile, accounting for ~72.9% of total borrowings. This was followed by CMLTB, which constituted ~25.4% of the borrowing mix, while long-term borrowings remained minimal at ~1.7%.
- The company's leverage ratio declined over FY21–FY25, reflecting a gradual reduction in borrowings. In 1QFY26, leverage edged up to ~39.7% from ~38.2% in the same period last year, indicating a moderately leveraged capital structure. Meanwhile, the Sector's coverage ratio weakened to ~1.0x in 1QFY26 from ~2.0x in 1QFY25, signaling reduced capacity to service debt.



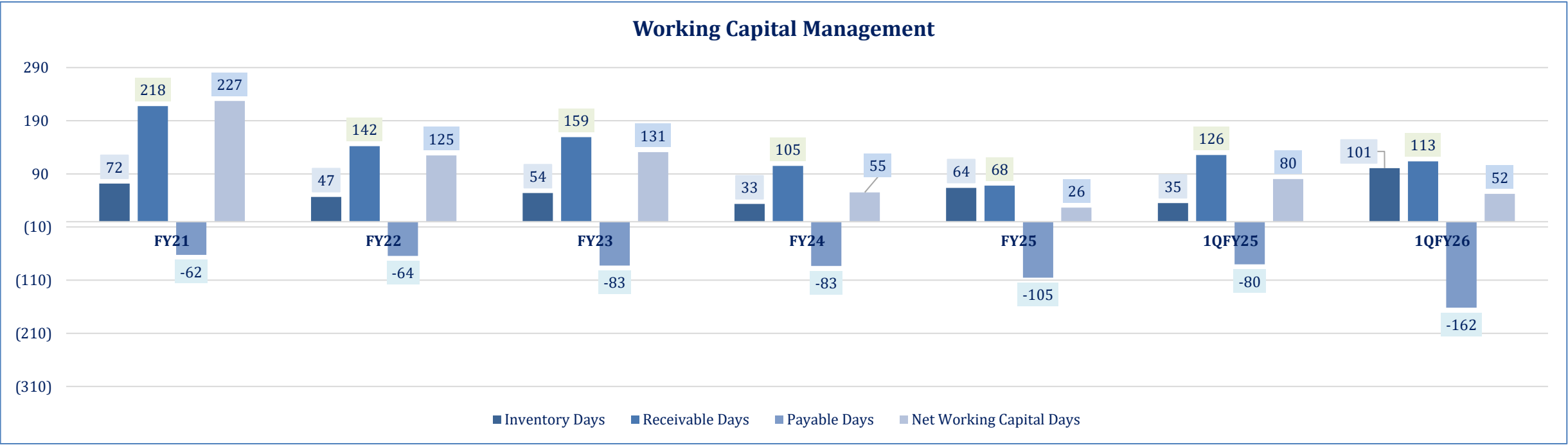
Note: Borrowing figures are reflective of a single Listed/PACRA rated player.

Source: PSX

Tracking Services

Financial Risk | Working Capital Management

- The net working capital cycle of the Sector, on average, was~113 days from FY21-FY25. The longer operating cycle is due to the credit policy adopted by the Sector, as the subscriptions are mostly renewed quarterly or annually.
- In 1QFY26, the Sector’s inventory days increased sharply to ~101 days from ~35 days in 1QFY25. Receivable days declined to ~113 days from ~126 days in the same period last year, while payable days rose significantly to ~162 days from ~80 days in 1QFY25.
- Net working capital days declined to ~52 days in 1QFY26 from ~80 days in the same period last year, as extended payable days more than offset higher inventory levels, indicating increased reliance on supplier credit rather than structural efficiency gains.



Note: Working Capital Days are reflective of a single Listed/PACRA rated player.

Tracking Services

Regulatory Framework

- Businesses involved in the Tracking Services industry must get a Data Class Value Added Services (CVAS) License from the Pakistan Telecommunication Authority (PTA). This license covers two main services: vehicle tracking and internet/data services.
- The table shows the initial fees for getting this license. Besides, companies need to pay an Annual License Fee, which is 0.5% of their gross yearly income from the services covered by the license. For non-profit CVAS licenses, the Annual License Fee is fixed at PKR 5,000 per year.
- The process of obtaining the license includes submitting relevant documents to the PTA including Memorandum & Articles of Association, along with a Technical Network Plan which lays out detailed technical architecture showing a mechanism for service delivery. The CVAS License is valid for a period of fifteen years.
- After obtaining the license, the organization must also obtain a commencement certificate which is issued after an inspection of the organization’s network and equipment.

Initial License Fee	Nationwide	Provincial*
Commercial	PKR 300,000	PKR 100,000*
Non-Profit	PKR 150,000	PKR 50,000
*PKR~50,000 for Baluchistan		

Tracking Services

SWOT

- Growing fleet and logistics demand
- **Established local ecosystem of providers:** Multiple long-operating companies (e.g., iTechnologi, GVSS, Falcon-i, U-Track) show a mature competitive base.
- **Adoption beyond B2B:** Increasing use of vehicle tracking among private car owners for theft protection and insurance.



- **Fragmented market with varied technology adoption:** many local players offering different standards and features, leading to inconsistent service quality.
- **Limited published formal market data:** most Pakistan market information comes from company sites and industry blogs rather than formal research reports.

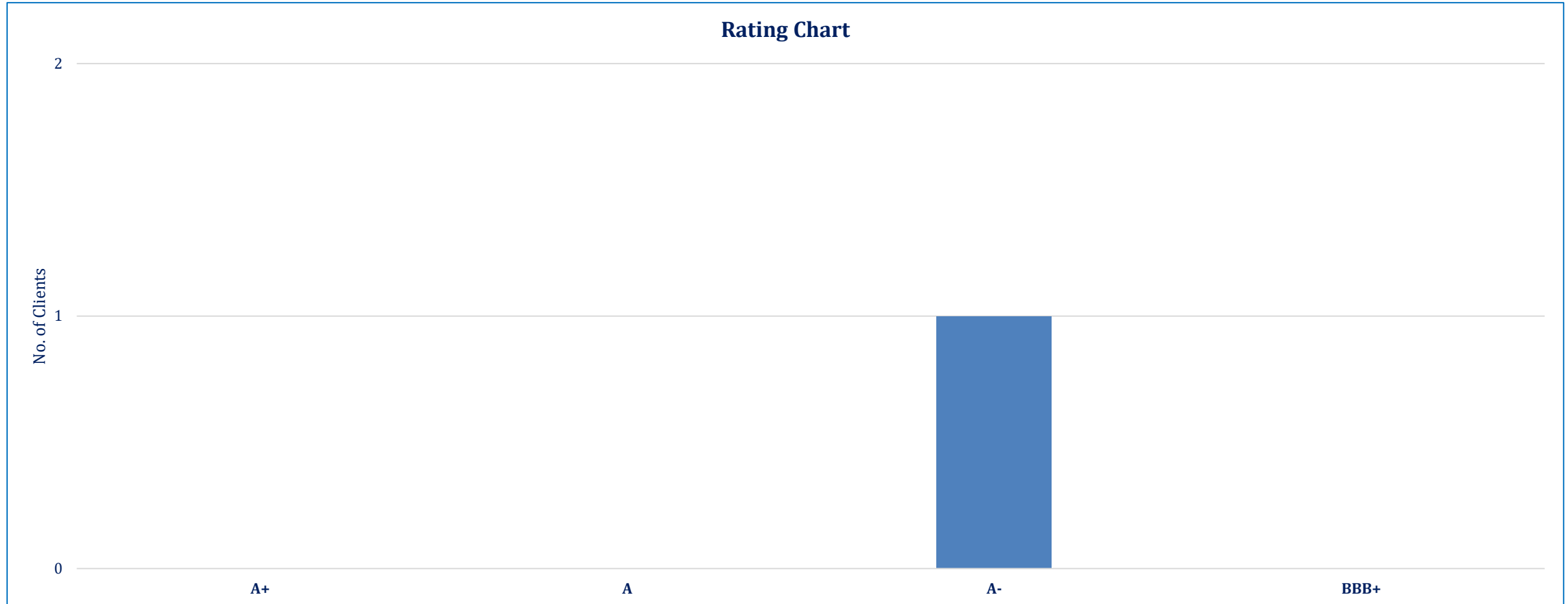
- **Competition and pricing pressure:** The presence of many local lower-cost providers may compress margins.
- **Data privacy & regulation gaps:** A common concern in telematics adoption globally remains regulatory standards and data protection.

- **Smart fleet management growth:** The market for smart fleet solutions is expanding due to digitalization in transportation and logistics.
- **Technology upgrades:** Local providers are integrating advanced features beyond basic tracking.
- **E-commerce & logistics boom:** Consistent demand for efficient last-mile delivery tracking supports future growth.

Tracking Services

Rating Curve

PACRA rates 1 client in the Tracking Services Sector, with a rating of A-.



Tracking Services

Outlook: Stable

- Pakistan entered FY26 with positive economic momentum, building on improvements achieved in FY25.
- Macroeconomic indicators showed stability during FY25 and early FY26. The current account deficit narrowed in July, the exchange rate remained stable, and tax collection recorded healthy growth, prompting international credit rating agencies to upgrade Pakistan's sovereign outlook. Agricultural activity showed strength, with agricultural credit disbursement rising ~16.3% in FY25, while imports of agricultural machinery increased sharply. Large-scale manufacturing grew ~4.1% YoY in June, although overall LSM output declined slightly in FY25.
- National CPI Inflation (YoY) decreased to ~6.1 percent in November 2025 from ~6.2 percent in the previous month. It stood at ~4.9 percent during the corresponding month of last year.
- The latest official policy interest rate set by the State Bank of Pakistan (SBP) is 10.5% per annum, following a 50-basis-point cut in December 2025 by the Monetary Policy Committee.
- The Sector led by TPL Trakker (~42% market share), saw a decline in gross revenue to PKR ~4,222mln in FY25 from PKR ~6,521mln in FY24, with 1QFY26 revenue at PKR ~667mln, down ~49.7% YoY. Gross margin fell to ~26.1% (1QFY26) from ~43.8% last year, while net margin turned negative at ~27.5%. Despite robust vehicle sales in 1QFY26, not all vehicles adopt tracking services. The Sector's growth potential remains, but revenue pressures and high fixed costs pose short-term challenges.
- Despite these short-term pressures, the Sector's outlook could be improved as growth opportunities are emerging beyond the automotive segment. While vehicle and container tracking continues to dominate revenues, demand is expanding in Sectors such as construction, agriculture, utilities, and asset management. The adoption of IoT-based solutions for monitoring heavy machinery, safeguarding high-value equipment, and enhancing operational efficiency is expected to broaden the Sector's revenue base and reduce reliance on project-driven, vehicle-centric contracts. Furthermore, wearable and personal tracking solutions are likely to gain traction in security-sensitive and family safety applications, providing additional avenues for diversified demand.

Tracking Services

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